

## APPRAISAL REPORT

Vacant Residential Land  
Southeast Corner of Avenue 50 and Calhoun Street  
Coachella, CA 92236

Prepared for:  
John Cutler, TJC Property Services  
on behalf of  
City of Coachella  
1515 Sixth Street  
Coachella, CA 92236

Date of Valuation  
July 28, 2019

Date of Report  
August 12, 2019

**KILEY COMPANY**  
REAL ESTATE APPRAISERS  
  
*Celebrating Over 20 Years*

August 12, 2019

John Cutler, TJC Property Services  
on behalf of  
City of Coachella  
1515 Sixth Street  
Coachella, CA 92236

Re: Our File No. 19-6429  
An appraisal of vacant land located at Southeast Corner of Avenue 50 and Calhoun Street  
in the city of Coachella, CA 92236

Dear Mr. Cutler:

In accordance with your authorization, the subject property has been examined for the purpose of forming an opinion of the current market value of the property. The client has requested a value of the fee simple interest of the property. The intended use of the report is to assist the City of Coachella in the evaluation of the property being appraised for possible acquisition purposes. The intended user is the City of Coachella and no additional intended users are identified by the appraisers. No other party shall have any right to rely on any service provided by Kiley Company without prior written consent.

The subject property is 37.3 net acres, or approximately 1,624,788 square feet, based on documents provided by the client. The site is currently vacant. It was a previous housing tract community that was subdivided into individual assessor parcel numbers. The tentative tract map noted 155 single-family lots, which reflects a density of 4.16 units per acre. According to the client, the City of Coachella purchased the subject property during the Great Recession on July 7, 2011.

Discussions with planners at the City of Coachella indicate that the subject property is zoned R-S, Residential Single Family. According to the Municipal Code, the residential developments shall comply with the allowable density ranges of the General Plan use designations. The General Plan designation of the site is RL, Low Density Residential, with an allowable density of 0 to 6 units per acre.

The following is an appraisal report made under section 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal is made in compliance with the guidelines set forth in the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The following report has also been made in compliance with the guidelines set forth by the Interagency Appraisal and Evaluation Guidelines; and the Uniform Standards of Professional Appraisal Practice (USPAP).

**Market Value**

Based on a review of the market data and the subject site's specific characteristics, the following conclusion of market value of the subject property, as of July 28, 2019, is estimated to be as follows:

---

---

**THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS**

---

---

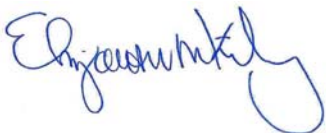
**\$3,250,000**

---

---

This opinion is subject to the definitions, certifications, assumptions and limiting conditions summarized in the following report. The following is a narrative appraisal report which sets forth the investigation, data and analyses upon which the conclusion is predicated. This letter must remain attached to the report in order for the value to be considered valid.

Respectfully submitted,



Elizabeth M. Kiley, MAI, AI-GRS  
Certified General Real Estate Appraiser  
Certificate No. AG005391  
Expiration Date: April 13, 2020



Paul J. Kim  
Certified General Real Estate Appraiser  
Certificate No. AG3000504  
Expiration Date: December 2, 2020

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

<u>PROPERTY LOCATION</u>	Southeast Corner of Avenue 50 and Calhoun Street Coachella, CA 92236
<u>CENSUS TRACT</u>	Not available
<u>EFFECTIVE DATE OF APPRAISAL</u>	July 28, 2019
<u>DATE OF INSPECTION</u>	July 28, 2019
<u>DATE OF REPORT</u>	August 12, 2019
<u>INTEREST APPRAISED</u>	Fee simple
<u>ASSESSOR'S PARCEL NOS.</u>	767-720-001 thru -019 767-721-001 thru -036 and -039 thru -052 767-722-001 thru -017 767-730-001 thru -052 767-731-001 thru -024
<u>LEGAL DESCRIPTION</u>	Included in the Addenda of this report
<u>SITE AREA</u>	37.3 net acres, or approximately 1,624,788 square feet, based on documents provided by the client.
<u>OWNERSHIP</u>	City of Coachella
<u>FLOOD HAZARD AREA</u>	The subject property is located in Flood Zone "X," as indicated on the National Flood Insurance Map, Community Map Panel No. 06065C2262H, dated March 6, 2018. Zone "X" indicates areas determined to be outside the 500-year floodplain with an average depth less than one foot or with drainage areas less than one square mile.
<u>SEISMIC RISKS</u>	<p>The subject site is not reported to be located within an Alquist-Priolo Earthquake Fault Zone, as designated by the California Geological Survey. However, this area and most of Southern California are subject to earthquake activity.</p> <p>The subject property is not reported to be located in a liquefaction zone or an earthquake-induced landslide zone as per the California Department of Conservation, Division of Mines and Geology, Seismic Hazard Zones Map, Indio Quadrangle.</p>

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS (Continued)**

**ZONING**

The subject property is zoned R-S, Residential Single Family. According to the Municipal Code, the residential developments shall comply with the allowable density ranges of the General Plan use designations. The General Plan designation of the site is RL, Low Density Residential, with an allowable density of 0 to 6 units per acre.

**SUBJECT SITE**

The subject property is 37.3 net acres, or approximately 1,624,788 square feet, based on documents provided by the client. The site is currently vacant. It was a previous housing tract community that was subdivided into individual assessor parcel numbers. The tentative tract map noted 155 single-family lots, which reflects a density of 4.16 units per acre. According to the client, the City of Coachella purchased the subject property during the Great Recession on July 7, 2011.

**HIGHEST AND BEST USE**

As Vacant - Current development as allowed by zoning

**MARKETING AND EXPOSURE TIME**

Six to nine months

**VALUE CONCLUSION:**

**Market Value**

**\$3,250,000**

**TABLE OF CONTENTS**

Transmittal Letter .....	i
Summary of Salient Facts and Conclusions .....	iii
Table of Contents .....	v
Introduction .....	1
Area Description .....	9
Market Analysis .....	14
Site Data .....	17
Highest and Best Use .....	23
Valuation Methodology .....	25
Sales Comparison Approach .....	26
Reconciliation of Value .....	33
Certification .....	34
Qualifications .....	35
Addenda .....	38

## INTRODUCTION

<b>Subject Location:</b>	Southeast Corner of Avenue 50 and Calhoun Street Coachella, CA 92236
<b>Purpose:</b>	Provide an opinion of market value of the subject property
<b>Client:</b>	John Cutler, TJC Property Services, on behalf of the City of Coachella
<b>Intended Use::</b>	The function of this appraisal is to assist the City of Coachella in the evaluation of the property being appraised for possible acquisition purposes.
<b>Intended User:</b>	The City of Coachella. No additional intended users are identified by the appraisers. No other party shall have any right to rely on any service provided by Kiley Company without prior written consent.
<b>Date of Value Opinion:</b>	July 28, 2019
<b>Date of Inspection:</b>	July 28, 2019
<b>Date of Report:</b>	August 12, 2019
<b>Property Rights Appraised:</b>	Fee simple
<b>Non-Realty Rights:</b>	There are no non-realty rights valued.
<b>Scope of Work:</b>	<p>The scope of work and appraisal content are defined by the appraisers to develop credible assignment results in compliance with USPAP standards. The assignment elements that are defined and analyzed in order to identify the problem to be solved include:</p> <ul style="list-style-type: none"><li>• Client and intended user;</li><li>• Intended use;</li><li>• Type and definition of value;</li><li>• Effective date;</li><li>• Subject of the assignment and relevant characteristics; and</li><li>• Assignment conditions.</li></ul>

As part of this appraisal, a number of independent investigation and analyses were made. This scope of work description should be considered in conjunction with the assumptions and limiting conditions outlined in this appraisal report.

The investigations and analyses undertaken include the following:

- An on-site inspection of the subject property was performed by Paul J. Kim on July 28, 2019;
- An inspection of the sale comparables from the street, where possible, or from an aerial and street photograph;
- Collection and verification of relevant market data derived from brokers, MLS Realist, CoreLogic, Trulia, CoStar, LoopNet PwC, and the appraisers' files;
- Interviews with knowledgeable professionals such as brokers regarding real property values and market trends, as well as governmental website information regarding real estate taxes and zoning information in the area;
- A primary field study of potentially competitive properties and projects for sale;
- Analysis and reconciliation of the data; and
- Preparation of an appraisal report, which includes the most pertinent data and analyses used in estimating the final value conclusion. This report is prepared for a knowledgeable client, and the use of "boilerplate" or extraneous data is limited.

**USPAP Competency:**

The appraisers have the required knowledge and experience in the appraisal of similar property types.

**Estimated Marketing and Exposure Time:**

The Appraisal Standards Board of the Appraisal Foundation defines and explains exposure time as:

"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; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses



not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges under various market conditions.”

The value of the subject property has been based on the market value definition. The market value definition calls for the valuation to be established based on exposure in the open market for a “reasonable time,” which is influenced by price, use type, and anticipated market conditions, such as changes in the cost and availability of funds.

The comparable sales reported marketing times ranging from less than three months to over 24 months. Based on the location of the subject property, assuming market pricing and active marketing, a reasonable exposure and marketing time is estimated to be approximately six to nine months for the subject property.

**Ownership:**

City of Coachella

**Property History:**

A search of the MyFirstAM and CoStar databases did not reveal any listings, sales or transfers of ownership of the property in the past three years.

**Legal Description:**

See the Addenda

**Assessor’s Parcel Numbers:**

767-720-001 thru -019  
767-721-001 thru -036 and -039 thru -052  
767-722-001 thru -017  
767-730-001 thru -052  
767-731-001 thru -024

**Taxes 2018/2019 :**

No taxes are noted for the subject parcels as they are owned by the City of Coachella.

Tax Rate Area: 12-066  
Information was taken from public records.

In California, real property is assessed at 100% of market value. A reassessment generally occurs only when a property is sold or transferred or when new construction occurs. Property taxes are limited by law

to 1% of assessed value plus voter-approved obligations.  
Assessments may not increase by more than 2% annually

### **Assumptions, Limiting Conditions, and Definitions**

The certification of the appraisers appearing in this appraisal report is subject to the following extraordinary and general assumptions and limiting conditions:

#### **Hypothetical Conditions**

USPAP defines a hypothetical condition as “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*” There are no hypothetical conditions associated with the value concluded in this appraisal report.

#### **Extraordinary Assumptions**

USPAP defines an extraordinary assumption to be “*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 opinion or conclusion.*” This appraisal report does not have any extraordinary assumptions.

#### **General Assumptions**

The subject property 37.3 net acres, or approximately 1,624,788 square feet, based on documents provided by the client. If more precise measurements are required, it is recommended that a surveyor be retained.

A title report was not provided for review. For the purpose of this report, it is assumed that there are no easements, encroachments or restrictions that would adversely affect the value of the subject property. The reader is advised that the current title of the property should be checked carefully as title issues can influence value. The right is reserved to adjust the valuation estimate if adverse title items are revealed and would so warrant, and a new appraisal may be required.

An environmental report was not provided for review. A review of Geo Tracker was conducted which indicates that there are no reported issues at the subject site. For purposes of this appraisal, it is assumed that there are no hazardous materials on the site, that the subject site is free of any type of contamination, and that there are no hazardous materials on or in the subject property that would cause a loss in value. During the subject property inspection, evidence of the existence of potentially hazardous waste materials was not observed. However, the appraisers are not qualified to detect such substances.

This report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute (AI), the Uniform Standards of Professional Appraisal Practice (USPAP), and the rules of the Bureau of Real Estate Appraisers (BREA).

The date of value, for which the opinion of value is expressed in this report, is set forth in the letter of transmittal. The dollar amount of the value opinion is based on the purchasing power of the United States dollar on that date.

This report is being prepared for a knowledgeable real estate lender. It does not repeat standard industry definitions and extensive "boiler plate." Primary and pertinent information pertaining to the subject property, the comparable data and market information are included as they are the major influences on value.

The intended user of this appraisal report is the City of Coachella. The intended use of this report is to assist the City of Coachella in the evaluation of the property being appraised for possible acquisition purposes, subject to the stated scope of work, purpose of the appraisal, reporting requirements of this appraisal report and definition of market value. No additional intended users are identified by the appraisers.

The property is appraised assuming that all applicable zoning and use regulations and restrictions will be complied with, unless otherwise stated. The appraisers are not experts in interpreting zoning ordinances and are not experts in legal matters. As far as can be ascertained, the zoning and development standards are as presented. A complete zoning study is beyond the scope of work of this assignment. If verification of the zoning and development standards is necessary, it is recommended that a qualified professional make such a determination.

No responsibility is assumed for economic or physical factors which may occur after the date of this appraisal. In rendering the opinion, no responsibility is assumed for subsequent changes in management, tax laws, or economic or physical factors which may or may not affect said conclusion or opinion. The appraisers have not checked all of these items and we assume no responsibility regarding any such issues.

The subject site is not reported to be located within an Alquist-Priolo Earthquake Fault Zone, as designated by the California Geological Survey. However, this area and most of Southern California are subject to earthquake activity. The subject property is not reported to be located in a liquefaction zone or an earthquake-induced landslide zone as per the California Department of Conservation, Division of Mines and Geology, Seismic Hazard Zones Map, Indio Quadrangle.

No responsibility is assumed for matters legal in character and no opinion is rendered as to title, which is assumed to be good and marketable. The premises are assumed to be free and clear of all leases, use restrictions and reservations, covenants, conditions, easements, cases or actions pending, tax liens and bonded indebtedness, except as specified. The property is assumed to be under responsible ownership and competent management.

This report has been prepared in accordance with USPAP and GLB Act Section 504 regarding privacy. Possession of this report, or a copy of it, does not carry with it the right of publication or distribution. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraisers and in any event, only with proper written qualification and only in its entirety. In particular, it may not be referred to in any report or financial statement or in any documents filed with a governmental agency without prior written consent of the appraisers.

Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusion, the identity of the appraisers or the firm, and any reference to the professional organization of which the appraisers are affiliated or to the designations thereof.

No responsibility is assumed for any conditions not readily observable during the customary inspection of the subject property which might affect the valuation, except those items specifically mentioned in this report. The right is reserved to change the valuation if so warranted, when supplied with further information if that information so dictates.

Any estimates or projections included in this report are not predictions of the future. Rather, they are estimates of expectations based on current market conditions. The achievement of the projections may be affected by fluctuations in economic conditions and is dependent on future occurrences that cannot be assured. Actual results may vary from the projections included in this report.

No survey, legal or engineering analyses of this property have been made. It is assumed that the legal description and area computations furnished are reasonably accurate. However, it is recommended that such analyses be made for exact verification through appropriate professionals before demising, hypothecating, purchasing or lending occurs, or any decision is made requiring exact survey, legal or engineering analyses.

Maps, plats and exhibits included in this report are for illustration only, as an aid for the reader in visualizing matters discussed within the report. They should not be considered as surveys or relied on for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Although the appraisers have made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraisers either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraisers reserve the right to alter or change any or all analyses, opinion, and/or conclusion of value.

Oil, gas, mineral and subsurface rights, if any exist, were not considered in making this appraisal, unless otherwise stated, and are not a part of the appraisal.

For the purpose of this report, the soil is assumed to be of adequate load-bearing capacity to support the proposed use and all uses considered under the conclusion of highest and best use.

The property is appraised assuming that property taxes will change to reflect the market value of the property, as herein reported.

No opinion is intended to be expressed for matters that require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

There is no evidence that the subject site has special resource value for natural, cultural, recreational or scientific concerns.

## Definitions

### Market Value<sup>1</sup>

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Estate (The Dictionary of Real Estate Appraisal, Sixth Edition, 2015, Appraisal Institute, Chicago, IL)

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.

---

<sup>1</sup> Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42 [g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472.

## **AREA DESCRIPTION**

This report is being prepared for use by the City of Coachella. Readers are familiar with both the county and city physical and demographic characteristics.

### **Coachella Valley**

The Coachella Valley is located in the eastern area of Riverside County and spans approximately 45 miles southeast from the San Bernardino Mountains to the Salton Sea. The valley is approximately 15 miles wide and surrounded on the southwest by the San Jacinto and Santa Rosa Mountains and on the northeast by the Little San Bernardino Mountains. The valley has ±410,000 permanent residents plus 1,000,000 temporary seasonal residents. Tourism brings additional visitors. The valley has some of the warmest winters in the U.S. and in a typical year, more than 350 days of sunshine.

Nine cities make up the Coachella Valley including Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage, plus various unincorporated communities. There are nearly 200 golf courses throughout the valley, as well as countless hiking trails, world class resorts, spas, and restaurants.

The Coachella Valley is served by the I-10 Freeway which runs primarily east and west from Los Angeles into Arizona and beyond. Highway 111 branches off of, and runs primarily parallel to, the I-10 from Palm Springs in the north to Indio in the southeast.

### **City of Coachella**

The city of Coachella is the easternmost city in the Coachella Valley. It is located 28 miles east of Palm Springs, 80 miles east of Riverside, and 130 miles east of Los Angeles.

Coachella is a largely rural and agricultural community in the desert, and one of the fastest growing cities in the United States. When it was first incorporated in 1946, it had only 1,000 residents.

According to the 2010 census, the permanent resident population of Coachella was 40,464. The 2018 population is estimated to be 45,635 residents, which represents a 0.8% increase from the previous year. Population numbers for the city significantly increase during the winter as people come to the warmer desert area in an effort to escape colder climates.

Coachella is expected to grow from its current population of ±46,000, to a total population of 135,000 by 2035. Under the proposed 2035 General Plan, there is expected development of single-family and multi-family dwelling units, and commercial and industrial spaces. The General Plan plans for the growth and development of 18,564 acres within the city limits, as well as the integration of 14,755 additional acres with the city's sphere of influence.

New growth in the city, as reported by the City of Coachella, includes the following Specific Plan Communities:

- La Entrada - 7,800 residential units, mixed-use, schools, parks and open space
- Bradenburg Butters Specific Plan - 1,381 residential units, commercial and public uses
- Coachella Vineyards - 807 residential units
- Eagle Falls - 295 residential units; 202 are in Coachella and 93 are in Indio
- Shadow View - 1,600 residential units, mixed-use, and a park

The area is attracting residents due to the large numbers of affordable homes and the relocation of employers from Los Angeles and Orange counties where real estate and labor costs are higher. Coachella is in the main path of Southern California's projected population growth pattern for the next decade.

### **Neighborhood**

The subject property is located in the middle portion of the city. It is located on the southeast corner of Avenue 50 and Calhoun Street.

Improvements located within the immediate neighborhood include the following:

---

To the north:	Residential uses, vacant land, agricultural uses, Martin Van Buren Elementary School, commercial uses near Avenue 48 and Jackson Street
To the east:	Vacant land, residential uses, Cesar Chavez Elementary School, commercial uses along Harrison Street
To the south:	Vacant land, Imagine Schools - Riverside County, agricultural uses, Coral Mountain Academy,
To the west:	Residential uses, vacant land, Indian Palms Country Club & Resort, Coachella Valley Christian Church, Plantation Golf Club, Empire Polo Club

---



Demographic information reported by STDBOnline.com reports the following information within one-, three- and five-mile radii of the subject property.

<b>Demographic Profile</b>	<b>One Mile</b>	<b>Three Mile</b>	<b>Five Mile</b>
2019 Population	8,882	87,644	149,735
2024 Population Forecast	9,923	93,388	159,707
2019 Total Households	2,481	23,274	43,521
2019 Average Household Size	3.58	3.72	3.42
2024 Household Forecast	2,824	24,809	46,385
New Households Forecast	343	1,535	2,864
2019 Median Household Income	\$60,762	\$45,458	\$55,247
2024 Median Household Income	\$72,613	\$52,949	\$64,632
2019 Median Home Value	\$268,810	\$257,545	\$322,122
2024 Median Home Value	\$324,666	\$320,453	\$377,858

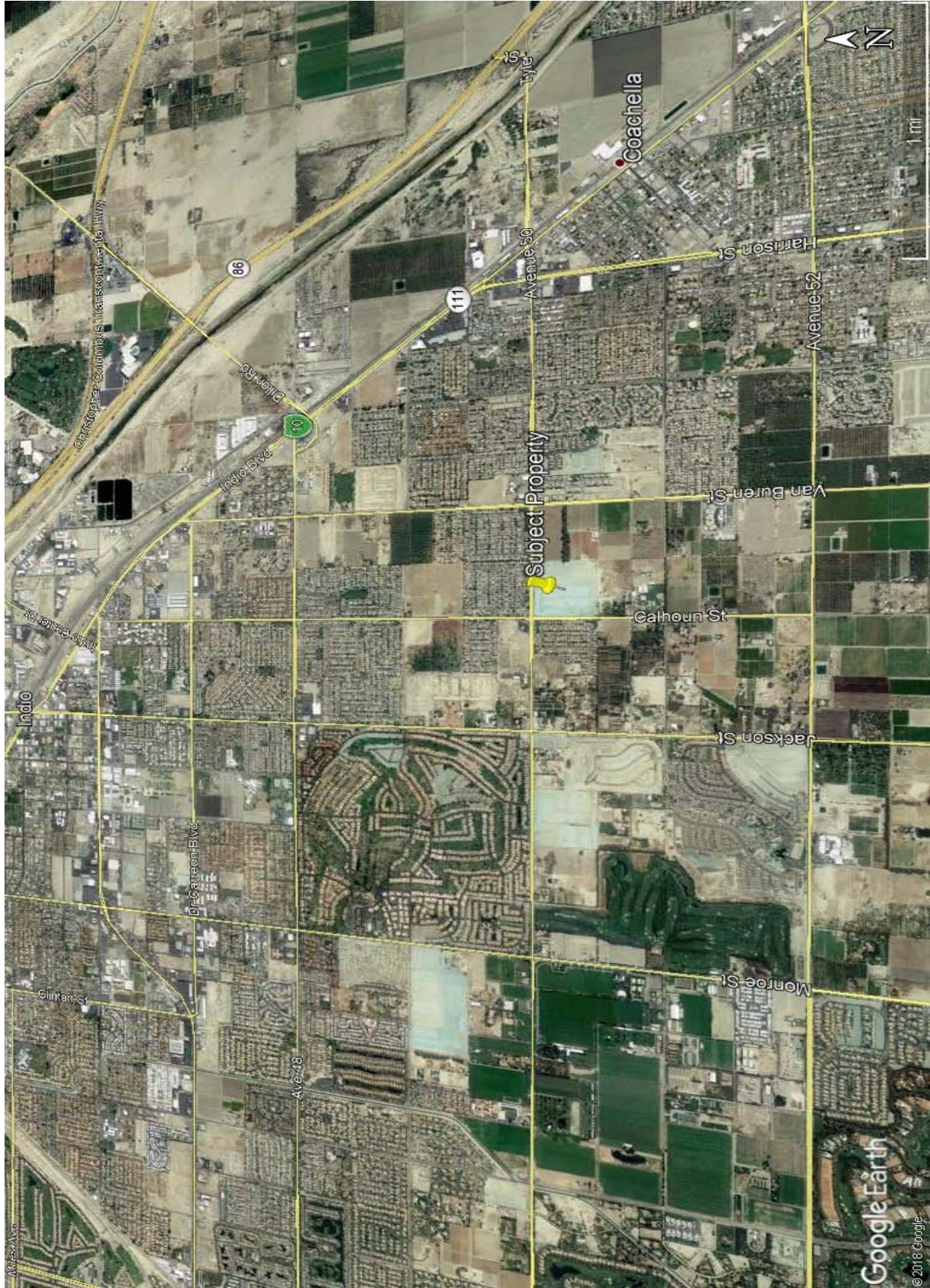
In conclusion, the subject property's neighborhood and surrounding area is characterized as part of a sparsely populated desert area.

On the following pages are a neighborhood location map and aerial photograph.

# Neighborhood Map



Copyright © and P1 1986-2009 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>  
 Certain mapping and direction data © 2009 NAVTEQ. All rights reserved. The data for areas of Canada includes information taken with permission from Canadian authorities, including © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario, NAVTEQ and NAVTEQ ONBOARD are trademarks of NAVTEQ. © 2009 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2009 by Apple Computer, Inc. All rights reserved.



## MARKET ANALYSIS

The subject property is zoned R-S, Residential Single Family. The General Plan Land Use is R-L, Low Density Residential (0-6du/ac). Permitted uses include residential uses up to six units per acre. In this valuation, the sales of vacant residential land are reviewed for a conclusion of market value of the land.

Limited published data is available regarding market conditions for residential land. General market trends are reviewed as the demand for land is ultimately created by demand for improved space. Market reports have been indicating signs of stabilization or improvement for most submarket types for the past year.

The analysis of market conditions is based on information provided by brokers and owners active in the subject property's market area, and information published by CoreLogic and Trulia. This information is included as overall market conditions have an influence on land.

### Residential Trends

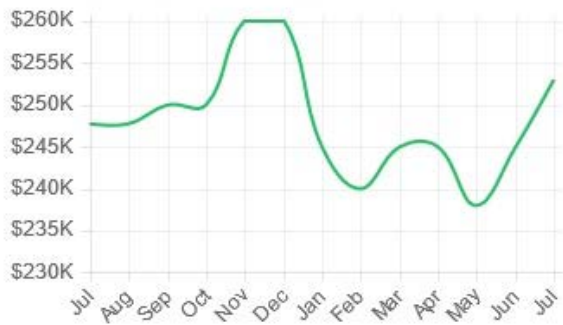
According to CoreLogic, the median sale price of a single-family home in the subject property's zip code area (bold and italicized below) was \$256,000 in May 2019, indicating an annual increase of 5.5%. In comparison, the surrounding zip code areas reflect median home prices ranging from \$183,000 to \$569,000. The following chart outlines information provided by CoreLogic in May 2019 for the code areas in the community of Coachella and Riverside County.

Zip Code	SFR Sales	Median Price - SFR	% Change from May 2018	Condo Sales	Median Price - Condos	% Change from May 2018	Median Price/SF - SFR
92201 - Indio	84	\$308,000	7.1%	11	\$182,000	40.0%	\$176
92203 - Indio	69	\$355,000	1.4%	7	\$142,000	-34.0%	\$175
92274 - Thermal	4	\$183,000	-26.7%	0	N/A	N/A	\$179
92253 - La Quinta	123	\$569,000	1.4%	29	\$392,000	12.0%	\$230
<b><i>92236 - Coachella</i></b>	<b><i>20</i></b>	<b><i>\$256,000</i></b>	<b><i>5.5%</i></b>	<b><i>0</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>	<b><i>\$162</i></b>
Riverside County	3,118	\$395,000	4.1%	579	\$300,000	9.1%	\$203

According to Trulia, the median sales price for homes in the zip code of 92236 in the city of Coachella, California reflected \$256,750 based on 44 home sales from April 11, 2019 to July 10, 2019. The median sales price reflected a 3% year-over-year increase. The average price per square foot was \$157 per square foot, which was an increase of 3% compared to the same period last year.

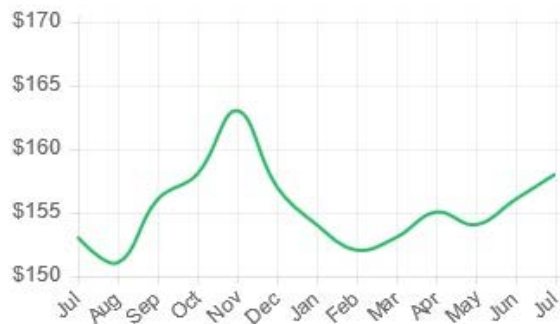
### Median Sales Price

The median sales price for homes in Coachella for Apr 11 to Jul 10 was \$256,750 based on 44 home sales.



### Price Per Square Ft.

Average price per square foot for Coachella was \$157, an increase of 3% compared to the same period last year.



A Multiple Listing Service (MLS) search for residences in the city of Coachella revealed the following data. The survey includes single-family residences that sold since July 1, 2018.

MLS Statistics Results										
SFRs in Coachella										
	Yr. Blt.	Bed	Bath	Sq Ft	List Price	LP/Sq Ft	Sale Price	SP/SF	SP/LP	DOM
Closed - 189 Properties Found										
Avg	1981	4	2	1,643	\$252,403	\$154	\$248,762	\$151	99%	61
Active - 37 Properties Found										
Avg	1978	4	2	1,746	\$347,649	\$199	N/A	N/A	N/A	90
Pending Sales - 22 Properties Found										
Avg	2005	4	2	1,786	\$274,967	\$154	N/A	N/A	N/A	67
Active Under Contract - 22 Properties Found										
Avg	1996	4	2	1,618	\$268,002	\$166	N/A	N/A	N/A	90

The MLS statistics show 189 closed sales since July 1, 2018, 22 pending sales and 22 active listings under contract. Including the pending sales and active listings under contract, this equates to a resale absorption rate of approximately 19 sales per month for the 12 months for homes in this market segment. The average sales price of the closed sales was \$248,762, or \$151 per square foot with an average marketing time 61 days and an average sales to list price ratio of 99%.

At the 19 sales per month absorption rate, the 37 active listings represent an approximate two-month supply in this market segment. The data shows that on average, sellers receive near asking price and properties have quick marketing times.

### **Local Area Trends**

A review of sale data and reports from brokers active in the area indicate that land prices within the subject's area are described as increasing year-over-year starting in 2015. This is a pattern which mirrors the increase in housing prices for the same period.

Five comparables were found suitable for comparison. The values for the comparable land sales range from \$1.02 to \$2.27 per square foot.

### **Conclusion**

Market conditions for improved properties and vacant land are positive. Market data indicates land prices have been increasing during the past three to four years at a moderate rate. Improved sales prices have been increasing, but at a more moderate rate.

## SITE DATA

<b>Subject Location:</b>	Southeast Corner of Avenue 50 and Calhoun Street Coachella, CA 92236
<b>Site Size:</b>	37.3 net acres, or approximately 1,624,788 square feet, based on documents provided by the client.
<b>Site Frontage:</b>	Avenue 50: +/-1302 feet Calhoun Street: +/-1302 feet
<b>Assessor's Parcel Numbers:</b>	767-720-001 thru -019 767-721-001 thru -036 and -039 thru -052 767-722-001 thru -017 767-730-001 thru -052 767-731-001 thru -024
<b>Shape:</b>	Rectangular
<b>Topography:</b>	Level at street grade
<b>Utilities:</b>	Public utilities are available and meet market standards for the area.
<b>Soil Condition:</b>	A soils report was not provided for review. It is assumed that the soil is of suitable load-bearing capacity for the existing improvements.
<b>Flood Hazards:</b>	The subject property is located in Flood Zone "X," as indicated on the National Flood Insurance Map, Community Map Panel No. 06065C2262H, dated March 6, 2018. Zone "X" indicates areas determined to be outside the 500-year floodplain with an average depth less than one foot or with drainage areas less than one square mile.
<b>Seismic Hazards:</b>	<p>The subject site is not reported to be located within an Alquist-Priolo Earthquake Fault Zone, as designated by the California Geological Survey. However, this area and most of Southern California are subject to earthquake activity.</p> <p>The subject property is not reported to be located in a liquefaction zone or an earthquake-induced landslide zone as per the California Department of Conservation, Division of Mines and Geology, Seismic Hazard Zones Map, Indio Quadrangle.</p>

**Environmental Hazards:** An environmental report was not provided for review. A review of Geo Tracker was conducted which indicated that there are no reported issues at the subject site. For purposes of this appraisal, it is assumed that there are no hazardous materials on the site, that the subject site is free of any type of contamination, and that there are no hazardous materials on or in the subject property that would cause a loss in value. The appraisers are not qualified to detect such substances.

**Zoning:** The subject property is zoned R-S, Residential Single Family. According to the Municipal Code, the residential developments shall comply with the allowable density ranges of the General Plan use designations. The General Plan designation of the site is RL, Low Density Residential, with an allowable density of 0 to 6 units per acre.

The appraisers are not experts in interpreting zoning ordinances and are not experts in legal matters. As far as can be ascertained, the zoning and development standards are as presented. A complete zoning study is beyond the scope of work of this assignment. If verification of the zoning and development standards is necessary, it is recommended that a qualified professional make such a determination.

**Easements:** A preliminary title report was not provided for review. For the purposes of this appraisal report, it is assumed that there are no easements, encroachments or restrictions that would adversely affect the value of the property. The complete and current title should be reviewed by a title professional, as title issues can influence value. The right is reserved to adjust the valuation estimates if specific adverse title items are revealed.

**Street Improvements:** Avenue 50 and Calhoun Street are fully improved primary streets with signals, curbs, gutters and stop signs.

**Ingress and Egress:** Access is provided via Avenue 50 and Calhoun Street.

**Freeway Access:** The Christopher Columbus Transcontinental (I-10) Highway is less than 2.5 miles northeast of the subject site. California State Route 86 is approximately 2.2 mile northeast of the subject site.



**Visibility:**

Visibility from Avenue 52 and Calhoun Street is average for the subject property.

**Site Improvements:**

The site is currently vacant and previously appears to have been previously rough graded. There are no site or street improvements.

767-72

767-14

TRA 012-066

NE 1/4 OF SEC. 1, T.6S., R.7E.

CITY OF COACHELLA

LOT J

LOT I

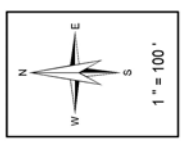
AVENUE

LOT J

LOT I

50TH

LOT J



**Legend**

- Lot Lines
- Right-Of-Way
- Old Lot Lines
- Reference C.O.W.
- Other Easements
- Lease Area
- Subdivision Tie Mark

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSORS PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



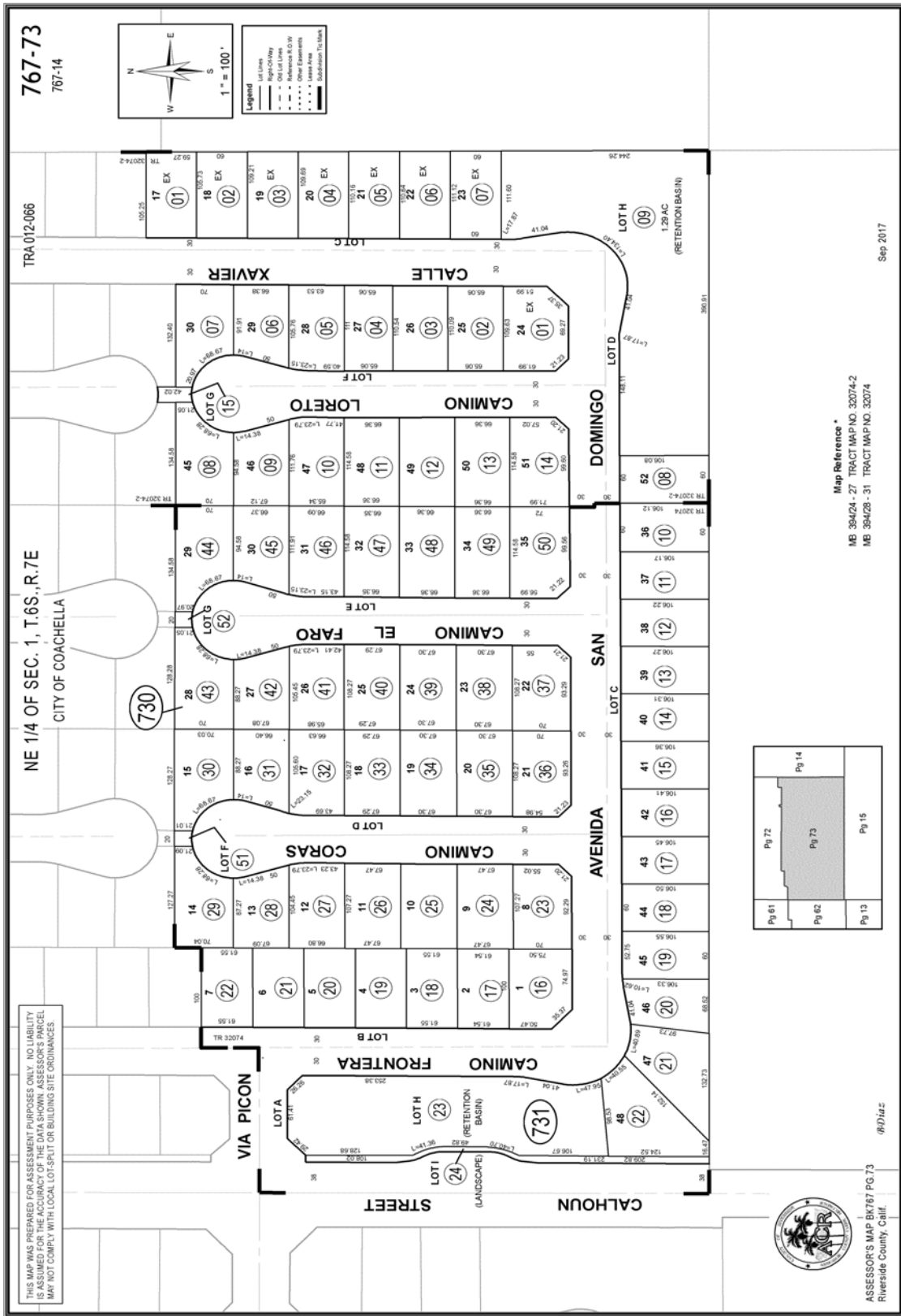
Bk 612 Pg 28	Bk 612 Pg 45	Bk 612 Pg 60	Pg 14
Pg 61	Pg 72	Pg 73	



ASSESSOR'S MAP BK767 PG.72  
Riverside County, Calif.

Map Reference  
MB 350086 - 51 TRACT MAP NO. 32074-1  
MB 354424 - 27 TRACT MAP NO. 32074-2

Sep 2017





Subject Aerial

SUBJECT PHOTO PAGE



Avenue 50 - Looking West



Calhoun Street - Looking South

**SUBJECT PHOTO PAGE**



Subject Property - View from Avenue 50



Subject Property - View from Calhoun Street

## **HIGHEST AND BEST USE**

Highest and Best Use may be defined as follows:

*“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value”<sup>1</sup>*

### **Highest and Best Use As Vacant**

Land is generally valued as if vacant. Private restrictions, zoning, building codes, historical district controls, and environmental regulations may preclude many potential uses. Regarding legally permissible uses, the City of Coachella has zoned the subject property R-S, Residential Single Family. The subject property’s zoning and General Plan designation appears to allow for residential development with a density of 0-6 units per acre.

The test of physical possibility addresses the physical characteristics associated with the site that might affect its highest and best use. The size, shape, terrain, and accessibility of land, as well as the risk of natural disasters such as floods or earthquakes, affect the uses to which land can be put. The utility of a parcel may also depend on its frontage and depth. Irregularly shaped parcels can cost more to develop and, after development, may have less utility than regularly shaped parcels of the same size. The subject property is rectangularly shaped and has sufficient width and depth for a residential subdivision.

Financially feasible uses are those uses which could produce positive returns. A potential use which has value commensurate with its cost and conforms to the first two tests may be financially feasible. A feasibility analysis of the possible development scenarios is not within the scope of work of this assignment. Some new construction is occurring in the market. There appears to be demand for residential sites.

The test of maximum productivity is applied to the uses that have passed the first three tests. Of the financially feasible uses, the use that produces the highest residual land value consistent with the market’s acceptance of risk and with the rate of return warranted by the market for that use is considered maximally productive. Regarding maximally productive uses of the site as vacant, residential development that meets current zoning and General Plan requirements would be the maximum use of the site.

### **Conclusion - Highest and Best Use As Vacant**

Legal, physical, and financial conditions have been analyzed in order to evaluate the highest and best use of the site as if vacant. The zoning of the site appears to indicate that its highest potential is for residential development. Based on a review of the market data, and the site's specific characteristics, the highest and best use of the site, as vacant, would be for current development allowed by its zoning.

The most probable buyer would be an investor and/or developer.



## VALUATION METHODOLOGY

In this appraisal assignment, all three approaches to value were considered. The primary approach in the valuation of land is the sales comparison approach. The income and cost approaches are not considered relevant to the valuation of vacant land and have not been developed.

### Sales Comparison Approach

In the sales comparison approach, the market value is estimated by comparing the subject property to similar properties that have been sold recently. The sales comparison approach is based on the premise that the market value of a property is directly related to the prices of comparable properties. The sales comparison approach analyzes the subject property and market data in terms of differences in legal, physical, locational, and economic characteristics. The reliability of this approach is based, in part, on the availability of sales of similar properties.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation, the relative applicability of the data, as well as the range in indications, is examined. Once this is done, the greatest weight is given to the approach that appears to produce the most reliable solution to the appraisal problem. The purpose of the appraisal, the type of property, and the adequacy and reliability of the data are considered in assessing the credibility of each approach.

## SALES COMPARISON APPROACH

### Land Valuation

A land sales comparison analysis is developed to provide an indication of value of the subject property. The comparable sales are analyzed on a price per square foot of land area basis, which is the typical unit of measure used by buyers in this market for similar sites and provides a reliable basis for comparison.

The concluded highest and best use of the site is for residential development. The subject property consists of a 37.3-acre site. A density of 0 to 6 dwelling units per acre is allowed. This appears to be consistent with the surrounding improvements and area.

A search including in Coachella and the surrounding communities with relevant land sales activity revealed a total of four comparable land sales and one comparable that is in escrow. None of the comparable land sales sold with entitlements in place for residential development. All of the comparables are considered to provide a value indication of the subject site.

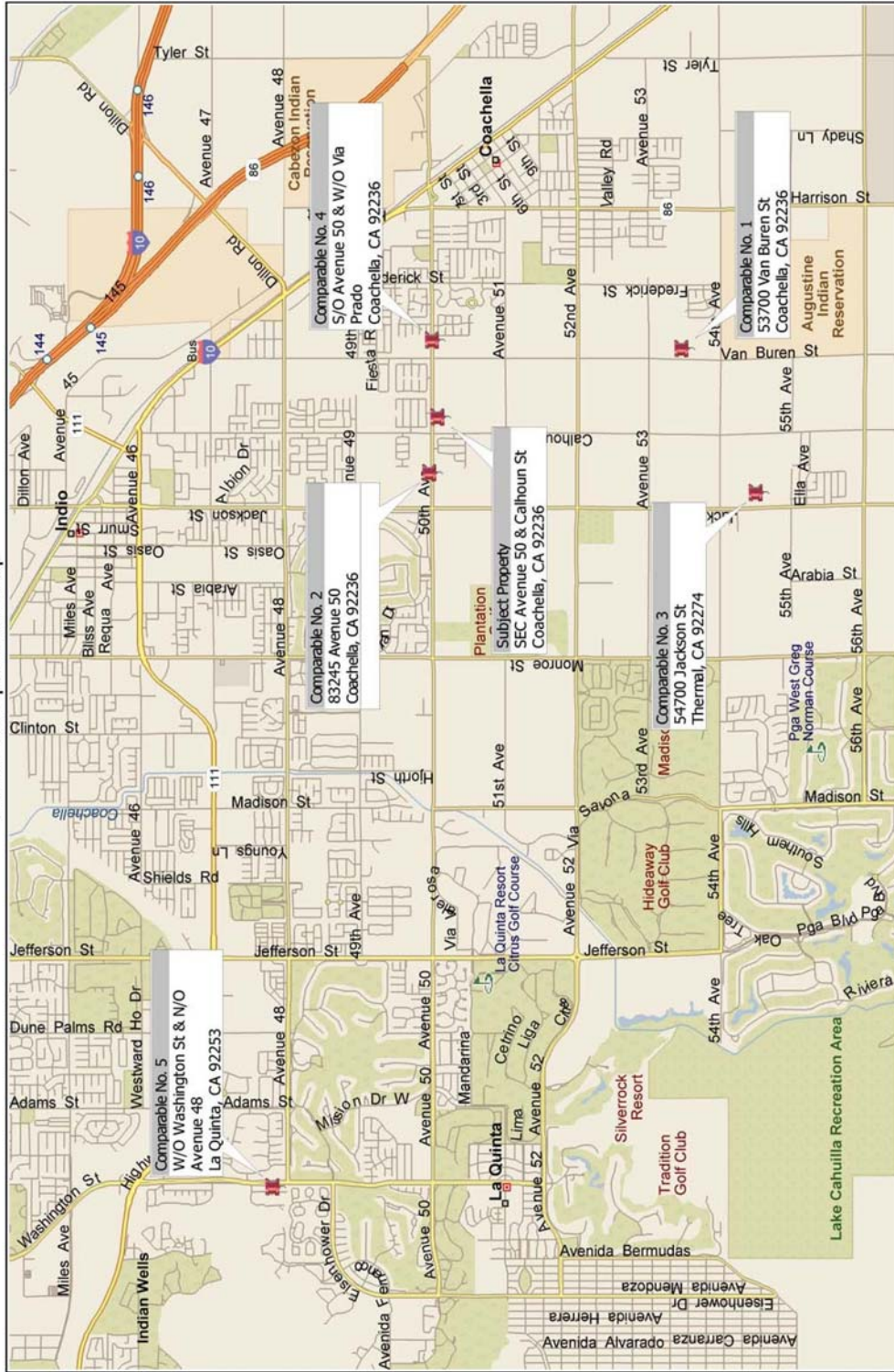
The following adjustment grid has been included in order to illustrate the magnitude and direction of the adjustments which may be applicable for varying characteristics. The fully developed nature of the submarket limits the amount of data for paired sales or statistical comparison. In such markets, the appraisers utilize their best judgement to make reasonable estimates for adjustments based on the available data, conversations with market participants and professional experience. The adjustment grid is a summary of items a typical buyer may consider in determining a purchase price. Buyers in this submarket typically make subjective adjustments in their decisions.

On the following page is a Land Sales Summary table that shows the comparable transactions. Each comparable is adjusted for factors which differ from the subject site to indicate an adjusted per square foot value. The comparable land sales table is followed by a land sales map, photos, and an adjustment grid. Data sheets are included in the Addenda.

LAND SALES SUMMARY

Location	COE Date	Acreage	Sales Price	Zoning	Comments
Assessor's Parcel No.	Doc No.	SF	Price Per SF		
Grantor/Grantee					
<b>Subject Property</b>					
SEC Avenue 50 & Calhoun St. Coachella, CA 92236 Various	N/App N/App	37.30 1,624,788	N/App	R-S	Subject property. Zoned R-S, Residential Single Family. Density: 0-6 du/ac.
<b>Comparable No. 1</b>					
53700 Van Buren St. Coachella, CA 92274 768-300-006	12/28/2018 502797	20.14 877,298	\$899,000 \$1.02	R-S	Mid-block location. Zoned for single-family residential uses. Density: 0-6 du/ac.
Grantor:	Red Bridge Capital, LLC				
Grantee:	Augustine Band of The Cahuilla Indians				
<b>Comparable No. 2</b>					
83245 Avenue 50 Coachella, CA 92236 767-120-021	Escrow Escrow	11.58 504,425	\$875,000 \$1.73	R-M, PUD	Mid-block location. General plan allows for a density of 0-10 du/ac. There is a TTM#35523, which expired on 5/28/19 for 111 units (density: 9.59 du/ac).
Grantor:	Turco Properties				
Grantee:	Escrow				
<b>Comparable No. 3</b>					
54700 Jackson St. Thermal, CA 92274 767-380-015	1/26/2017 34562	18.36 799,762	\$1,400,000 \$1.75	R-A-2 1/2	Mid-block location. In 2004, TTM#31278 had plans for 28 units (density: 1.53 du/ac).
Grantor:	Edwin C. Cree Trust				
Grantee:	Augustine Band of Cahuilla Indians				
<b>Comparable No. 4</b>					
S/O Avenue 50 & W/O Via Prado Coachella, CA 92236 768-030-032 thru -035 & -065; 768-040-031 thru -036, -039 thru -059 & -061	7/31/2018 307215	10.26 446,804	\$878,000 \$1.97	R-S	New residential subdivision - Prado Pointe by D.R. Horton. This is the first purchase of approximately 31 lots with 2 streets. The sites appear to be graded with curb cutouts.
Grantor:	Sunwood Prado, LLC				
Grantee:	D.R. Horton Los Angeles Holding Company, Inc.				
<b>Comparable No. 5</b>					
W/O Washington St. & N/O Avenue 58 La Quinta, CA 92253 643-090-024	11/14/2017 476275	28.33 1,234,055	\$2,800,000 \$2.27	RL	Irregularly shaped vacant site. Density: 2-4 units per acre.
Grantor:	BHT II La Quinta 74, LLC				
Grantee:	Salamambo, LLC				

# Sales Comparison Map



Copyright © and (P) 1988-2009 Microsoft Corporation and/or its suppliers. All rights reserved. <http://www.microsoft.com/streets/>  
 Certain mapping and direction data © 2009 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario, NAVTEQ and NAVTEQ ONBOARD are trademarks of NAVTEQ. © 2009 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2009 by Applied Geographic Systems. All rights reserved.

COMPARABLES PHOTO PAGE



Comparable No. 1



Comparable No. 2



Comparable No. 3



Comparable No. 4



Comparable No. 5

**LAND SALES COMPARISON GRID**

**SEC Avenue 50 & Calhoun St.  
Coachella, CA 92236**

	<b>Subject Property</b>	<b>Comparable No. 1</b>			<b>Comparable No. 2</b>			<b>Comparable No. 3</b>			<b>Comparable No. 4</b>			<b>Comparable No. 5</b>		
Location City, State	SEC Avenue 50 & Calhoun St. Coachella, CA 92236	53700 Van Buren St. Coachella, CA 92274			83245 Avenue 50 Coachella, CA 92236			54700 Jackson St. Thermal, CA 92274			S/O Avenue 50 & W/O Via Prado Coachella, CA 92236			W/O Washington St. & N/O Avenue 58 La Quinta, CA 92253		
Total Sale Price		\$899,000			\$875,000			\$1,400,000			\$878,000			\$2,800,000		
Price/SF		\$1.02			\$1.73			\$1.75			\$1.97			\$2.27		
<b>ADJUSTMENTS</b>																
Rights Conveyed		Fee Simple	0.0%	\$0.00	Fee Simple	0.0%	\$0.00	Fee Simple	0.0%	\$0.00	Fee Simple	0.0%	\$0.00	Fee Simple	0.0%	\$0.00
Adjusted Price				\$1.02			\$1.73			\$1.75			\$1.97			\$2.27
Financing Terms		Cash	0.0%	\$0.00	Conv.	0.0%	\$0.00	Conv.	0.0%	\$0.00	Cash	0.0%	\$0.00	Cash	0.0%	\$0.00
Adjusted Price				\$1.02			\$1.73			\$1.75			\$1.97			\$2.27
Conditions of Sale		None	0.0%	\$0.00	None	0.0%	\$0.00	None	0.0%	\$0.00	None	0.0%	\$0.00	None	0.0%	\$0.00
Adjusted Price				\$1.02			\$1.73			\$1.75			\$1.97			\$2.27
Exp. After Purchase		None	0.0%	\$0.00	Demo	0.0%	\$0.00	None	0.0%	\$0.00	None	0.0%	\$0.00	None	0.0%	\$0.00
Adjusted Price				\$1.02	Nominal		\$1.73			\$1.75			\$1.97			\$2.27
Recording Date	Date of Value:	12/28/18	3.5%	\$0.04	Escrow	-2.0%	-\$0.03	01/26/17	15.0%	\$0.26	07/31/18	6.0%	\$0.12	11/14/17	10.0%	\$0.23
Adjusted Price	July 2019	7 month		\$1.06			\$1.70	30 months		\$2.01	12 months		\$2.08	20 months		\$2.50
Adjusted Sale Price				\$1.06			\$1.70			\$2.01			\$2.08			\$2.50
Site Area (Acres)	37.30	20.14			11.58			18.36			10.26			28.33		
Site Area (SF)	1,624,788	877,298	0.0%	\$0.00	504,425	0.0%	\$0.00	799,762	0.0%	\$0.00	446,804	0.0%	\$0.00	1,234,055	0.0%	\$0.00
<b>Adjusted Sale Price</b>				<b>\$1.06</b>			<b>\$1.70</b>			<b>\$2.01</b>			<b>\$2.08</b>			<b>\$2.50</b>
Location	Coachella			Inferior			Similar			Similar			Similar			Superior
Zoning	Residential - Low Density			Similar			Superior			Similar			Similar			Similar
Access/Visibility	Average			Similar			Similar			Similar			Similar			Similar
Shape/Topography	Rectangular/Level			Similar			Similar			Similar			Similar			Similar
Condition	As if Vacant			Similar			Similar			Similar			Superior			Similar
Overall Comparability				Inferior			Superior			Similar			Superior			Superior

\* Differences may be due to rounding

Comparable No. 1	\$1.06	Inferior	
Comparable No. 2	\$1.70	Superior	
Comparable No. 3	\$2.01	Similar	<b>Concluded: \$2.00</b>
Comparable No. 4	\$2.08	Superior	
Comparable No. 5	\$2.50	Superior	

### **Land Valuation Continued**

The comparable sales are analyzed and reviewed for the following transactional elements of comparison: property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase and market conditions. The comparables are then reviewed for the following physical elements of comparison: site size, location, zoning, access, visibility, shape/topography, and condition.

### **Transactional Adjustments**

The comparable properties each conveyed the fee simple interest. The comparables all sold with cash or conventional cash-equivalent financing with no special financing terms reported.

No conditions of sale that affected the sale prices were reported for any of the sales. All of the comparable sales sold either vacant or with nominal costs reported to remove improvements; therefore, no adjustments are made for expenditures after purchase.

To evaluate changes in market conditions, buyers and brokers familiar with the market were interviewed, sales and listing data was examined, and trend reports were reviewed. Market data suggest that values have shown signs of increasing. An adjustment of 6.0% annually, or 0.5% per month, is indicated for all the sales.

The broker for Comparable No. 2 reported that the purchase price is close to the listing price. A downward adjustment is made to Comparable No. 2.

### **Physical Adjustments**

The comparables range in size from 10.26 acres to 28.33 acres, compared to the subject's site size of 37.3 acres. While smaller parcels may sell on a higher price per square foot basis, larger parcels allow economies of scale in construction and there are no significant price differences in the data based on size. The comparables are considered to be in the same general size category.

The location rating reflects differences in general and specific location. Although Comparable No. 1 is located in the same city as the subject property, it is considered to have an inferior physical location. Comparable No. 5 has a superior location in La Quinta. The remaining comparables are considered to be similar.

The subject is zoned for low-density residential uses. Comparable No. 2 has a superior allowable density. The remaining comparables are considered to be similar.

The subject and the comparables are considered to have similar access and visibility.

The subject has a rectangular shape with level topography. The comparables are considered to be generally similar.

The subject property is being appraised “as vacant.” Comparable No. 4 is graded with curb cutouts and is considered to be in superior condition. The remaining comparables are considered to be similar to the subject.

**Conclusion**

The adjusted land values range from \$1.06 to \$2.50 per square foot of land value.

INDICATED VALUES PER SQUARE FOOT		
Comparable	Overall Comparability	Indicated Price/SF
Comparable No. 1	Inferior	\$1.06
Comparable No. 2	Superior	\$1.70
<b>SUBJECT PROPERTY</b>	---	<b>\$2.00</b>
Comparable No. 3	Similar	\$2.01
Comparable No. 4	Superior	\$2.08
Comparable No. 5	Superior	\$2.50

Based on the preceding investigation and analysis, the fee simple market value of the land as of the effective date of this appraisal report is concluded to be **\$2.00 per square foot**.

LAND VALUE INDICATION					
Land Value	1,624,788	SF x	\$2.00	Per/SF =	\$3,249,576
				<b>Rounded</b>	<b>\$3,250,000</b>



## **RECONCILIATION OF VALUE**

The appraisal has been reviewed to verify that the data and the analytical techniques applied have led to consistent judgements. In addition, the data utilized in the report has been reviewed to ensure that it is authentic, pertinent and sufficient. Finally, mathematical calculations have been verified.

### **Sales Comparison Approach**

The sales comparison approach is based on the premise that a purchaser will not pay more for an existing property than for a comparable property of similar utility. This approach is most often used by buyers in this market to evaluate a purchase decision. The quantity and quality of comparable sales data is considered sufficient in this case. The sales comparison approach is considered to be a reliable indicator for this assignment.

### **Concluded Market Value**

Based on a review and analysis of the market data, the opinion of the market value of the subject property, as of July 28, 2019, is:

---

---

**THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS**

---

---

**\$3,250,000**

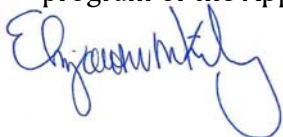
---

---

## CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest with respect to the property or parties involved.
4. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the past three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation is not contingent on the 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.
8. This appraisal assignment is not based on a requested minimum valuation, a specific valuation or the approval of a loan.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It has also been prepared in conformity with California state law and the Uniform Standards of Professional Appraisal Practice.
10. Paul J. Kim has made a physical inspection of the property that is the subject of this report. Elizabeth M. Kiley has not made a physical inspection of the property that is the subject of this report. Elizabeth M. Kiley has fully participated in the analyses, opinions and conclusions concerning real estate contained in this report and fully concurs with the final value estimate expressed herein.
11. No one provided significant real property appraisal assistance to the persons signing this certification.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Elizabeth M. Kiley has completed the continuing education program of the Appraisal Institute.



Elizabeth M. Kiley, MAI, AI-GRS  
Certified General Real Estate Appraiser  
Certificate No. AG005391  
Expiration Date: April 13, 2020



Paul J. Kim  
Certified General Real Estate Appraiser  
Certificate No. AG3000504  
Expiration Date: December 2, 2020

**ELIZABETH M. KILEY, MAI, AI-GRS**  
**STATEMENT OF QUALIFICATIONS**

**EMPLOYMENT**

Appraiser/Consultant/President, 1990 to Present  
Elizabeth M. Kiley, Inc., DBA Kiley Company, Irvine, CA

Assistant Vice President/Senior Appraiser, 1984 to 1989  
Interstate Appraisal Corporation, Newport Beach, CA

Chief Appraiser/Commercial Underwriter, 1982, 1983 to 1984  
Cambridge Capital Group, Santa Ana, CA

Appraiser, 1982 to 1983  
Harold Davidson & Associates, Los Angeles, CA

Senior Appraiser, 1979 to 1981  
Bank of America NT & SA, Riverside/San Bernardino District, CA

**EDUCATION**

Bachelor of Science, Business Administration, 1974 San Diego State University, San Diego, CA

*Appraisal Courses*

Review Theory-General; Appraisal Principles; Appraisal Procedures; Income Capitalization; Advanced Income Capitalization; Standards of Professional Practice A, B & C; Report Writing and Valuation Analysis; Litigation Valuation; Case Studies in Real Estate Valuation; Mold, Pollution and the Appraiser; The Nuts and Bolts of Green Building for Appraisers; USPAP; Appraisal Curriculum Overview/General Class

*Professional Seminars*

2011 Estate Tax Changes; Update on Climate Change Regulations Affecting Local Governments; Litigation Valuation; Condemnation-Partial Takes and Super Funds Sites; Property Acquisition, Appraisal, and Relocation in an Upside Down Market; Appraising in a Declining or Changing Market; Appraising Apartments; Leasehold Valuation; Easement Valuation; Appraising in the New Regulatory Climate; Feasibility Analysis and Highest and Best Use; Faculty Training Seminar; Federal and State Law and Regulation Workshop; Service Station; Restaurant Seminar; OCTA Partial Take Appraisal Workshop; Moderator E-commerce Panel, 2000 Summer Conference

**EXPERIENCE**

*Commercial*

High-rise, mid-rise and garden offices; community and neighborhood shopping centers; single tenant NNN properties; convenience stores; restaurants and fast-food stores; auto dealerships; service stations; bank branches; special-use properties; valuation of fee simple, leased fee, and leasehold interests

*Industrial*

Existing and proposed multi-tenant industrial parks; single-tenant buildings; research and development buildings; and self-storage facilities

## ELIZABETH M. KILEY, MAI, AI-GRS (Continued)

### Residential

Apartments; proposed subdivisions; condominium complexes; apartment conversions and CBD lofts; mass appraisal for acquisitions

### Vacant Land

Planned community developments; business parks; industrial subdivisions; commercial sites; agricultural land; desert land; and Indian Trust property

### Litigation

Whole and partial take condemnation appraisals; redevelopment agency analyses; ground lease negotiations; bankruptcy appraisals; foreclosures; partnership valuations; estate tax valuations; and contaminated properties

### Public Agency

Railway corridors; transmission line easements, easement upgrades, and electrical substations; open space valuations; water tank sites; libraries; fire stations; correctional institutions; freeway widenings; railroad grade separations

## QUALIFICATIONS

MAI Designation No. 8339, Appraisal Institute

AI-GRS Designation, Appraisal Institute

Certified General Real Estate Appraiser, Certificate No. AG005391, State of California

Expert Witness, Superior Court of California, Los Angeles and Riverside Districts

Expert Witness, U. S. District Court, Los Angeles

Expert Witness, U. S. Bankruptcy Court, Central District, Los Angeles and Orange Counties

Qualified Instructor, Appraisal Principles Course, Appraisal Institute

Qualified Instructor, Legal Consideration in Appraisal, Cal State Fullerton

## AFFILIATIONS

### Appraisal Institute

Elected Regional Representative, 2011; Public Relations Chair, 2003; Moderator for Summer Program, 2000; Executive Committee Member, 1995 to 1996; Member National Public Relations Committee, 1994 to 1996; Assistant Secretary, 1994; Public Relations Chair, 1993; Representative, Regional Committee, 1992 to 1996; Program Chairperson, Orange County, 1991; Co-chair, Highest and Best Use Seminar, 1991; Co-chair, Easement Valuation Seminar, 1990

### Commercial Real Estate Women (CREW - Orange County)

Regional Conference Chair, 1998; First Vice President, 1997; Second Vice President, 1995; Marketing Publications Chair, 1994 to 1996; Network Lunch Program Chair, 1993; Chapter President, 1991; Membership Chair, 1990; Program Chair, 1990

### International Right-of-Way Association

Public Agency Liaison, 2011

Member, Board of Directors 2009 and 2010

Presenter for 2010 Spring Seminar - How Energy is Changing Land Use and Values

**PAUL J. KIM**  
**STATEMENT OF QUALIFICATIONS**

**EMPLOYMENT**

Appraiser/Consultant, 2013 to Present  
Elizabeth M. Kiley, Inc., DBA Kiley Company, Irvine, CA

Appraiser/Consultant, 2012-2013  
MKC Appraisal, Inc, Rolling Hills Estates, CA

Logistics Coordinator, 2011-2012  
3 Zone Logistics, Carson, CA

**EDUCATION**

Bachelor of Arts, Social Ecology  
University of California, Irvine, Irvine, CA

*Appraisal Courses*

General Appraiser Income Approach Part 1 & 2; General Appraiser Site Valuation & Cost Approach;  
General Appraiser Sales Comparison Approach; General Appraiser Report Writing & Case Studies;  
General Appraiser Market Analysis & Highest and Best Use; Real Estate Finance Statistics &  
Valuation Modeling; 15-Hour USPAP Course

**EXPERIENCE**

*Commercial*

Single and multi-tenant offices; single tenant NNN properties; convenience stores; retail; special  
use properties; fee simple and leased fees

*Industrial*

Existing and proposed multi-tenant industrial parks; single-user buildings; research and  
development buildings

*Residential*

Apartments; mixed-use properties

*Vacant Land*

Residential sites; commercial sites

*Public Agency*

Open space valuations; schools; right-of-way and eminent domain; freeway and street widening;  
full and partial acquisitions; easement valuations, public utility easements and temporary  
construction easements; highest and best use analysis for complex acquisitions

**QUALIFICATIONS**

Certified General Real Estate Appraiser, Certificate No. AG3000504, State of California

**ADDENDA**

## COMPARABLE NO. 1



53700 Van Buren St.

Coachella, CA 92274

<b>APN:</b>	768-300-006	<b>Document No.:</b>	502797
<b>Grantor:</b>	Red Bridge Capital, LLC		
<b>Grantee:</b>	Augustine Band of The Cahuilla Indians		
<b>Date of Sale:</b>	December 7, 2018	<b>Site Area:</b>	877,298
<b>Recording Date:</b>	December 28, 2018	<b>Shape:</b>	Rectangular
<b>Down Payment:</b>	100%	<b>Intended Use:</b>	Residential
<b>Financing:</b>	Cash	<b>Present Use:</b>	Vacant
<b>Sale Price:</b>	\$899,000	<b>Highest &amp; Best Use:</b>	Residential
<b>Sale Price PSF:</b>	\$1.02	<b>Zoning:</b>	R-S

**Comments:** Mid-block location. Zoned for single-family residential uses. Density: 0-6 du/ac.

<b>Inspection Date:</b>	July 28, 2019	<b>By:</b>	Paul J. Kim
<b>Source:</b>	CoStar		
<b>Verification:</b>	Susan Harvey, Desert Pacific Properties		

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

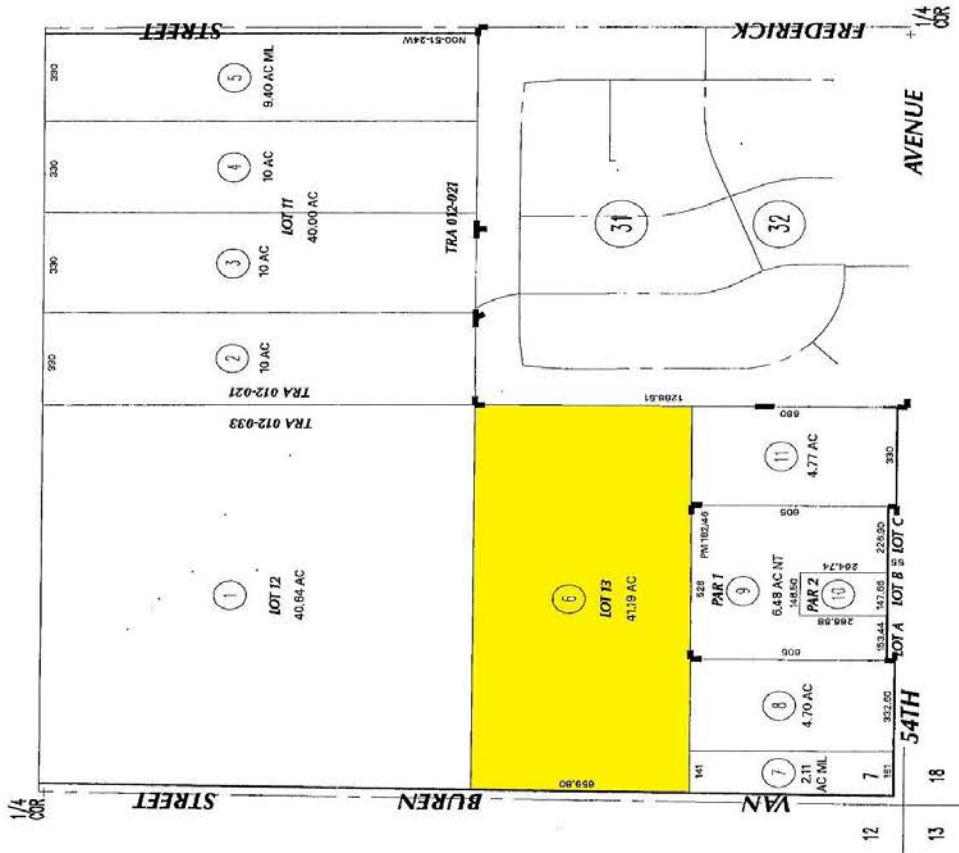
MAR 15 2007

POR. SEC 7 T. 6S., R. 8E  
CITY OF COACHELLA

T.R.A. 012-021  
012-033

768-30  
765-19

1" = 400'  
ANGLE = 0



37

43

44

29

763  
21

767  
30

767  
31

DATA: 60' PD., PER INST. 2682 4/99

MB 4/53 COACHELLA LAND & WATER SUB.  
PN 182/46-48 PARCEL MAP NO. 27800

ASSESSOR'S MAP B0768 PG. 30  
Riverside County, Calif.

Oct 2006



COMPARABLE NO. 2



83245 Avenue 50  
Coachella, CA 92236

APN:	767-120-021	Document No.:	Escrow
Grantor:	Turco Properties		
Grantee:	Escrow		
Date of Sale:	Escrow	Site Area:	504,425
Recording Date:	Escrow	Shape:	Rectangular
Down Payment:	N/Av.	Intended Use:	Residential
Financing:	Conv.	Present Use:	Improved
Sale Price:	\$875,000	Highest & Best Use:	Residential
Sale Price PSF (Land):	\$1.73	Zoning:	R-M, PUD

**Comments:** Mid-block location. General plan allows for a density of 0-10 du/ac. There is a TTM#35523, which expired on 5/28/19 for 111 units (density: 9.59 du/ac).

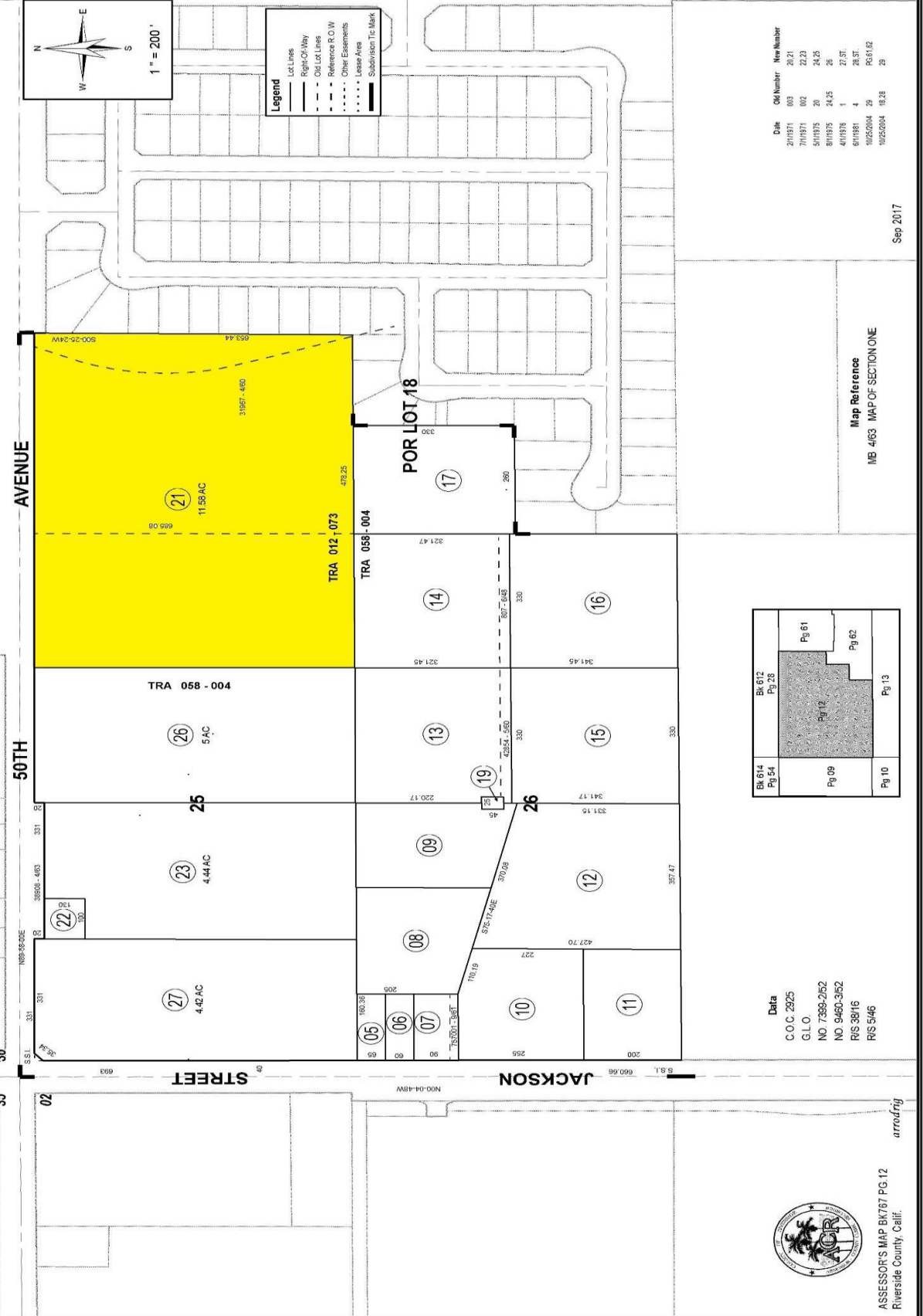
Inspection Date:	July 28, 2019	By:	Paul J. Kim
Source:	Costar		
Verification:	Susan Harvey, Desert Pacific Properties		

767-12  
25-28

TRA 012-073  
058-004

NW 1/4 OF SEC. 1, T.6S., R.7E.  
CITY OF COACHELLA

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAP MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.



Pg 54	Pg 55	Pg 61	Pg 62
Pg 09	Pg 10	Pg 11	Pg 12
Pg 13	Pg 14	Pg 15	Pg 16

Data  
C.O.C. 2925  
G.L.O.  
NO. 7398-262  
NO. 9460-362  
RIS 3816  
RIS 546



ASSESSOR'S MAP BK767 PG.12  
Riverside County, Calif.

Map Reference  
MB 463 MAP OF SECTION ONE

Sep 2017

COMPARABLE NO. 3



54700 Jackson St.

Thermal, CA 92274

<b>APN:</b>	767-380-015	<b>Document No.:</b>	34562
<b>Grantor:</b>	Edwin C. Cree Trust		
<b>Grantee:</b>	Augustine Band of Cahuilla Indians		
<b>Date of Sale:</b>	January 12, 2017	<b>Site Area:</b>	799,762
<b>Recording Date:</b>	January 26, 2017	<b>Shape:</b>	Effectively Rectangular
<b>Down Payment:</b>	100%	<b>Intended Use:</b>	Residential
<b>Financing:</b>	Conv.	<b>Present Use:</b>	Vacant
<b>Sale Price:</b>	\$1,400,000	<b>Highest &amp; Best Use:</b>	Residential
<b>Sale Price PSF (Land):</b>	\$1.75	<b>Zoning:</b>	R-A-2 1/2

**Comments:** Mid-block location. In 2004, TTM#31278 had plans for 28 units (density: 1.53 du/ac).

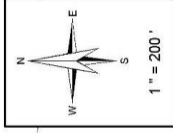
<b>Inspection Date:</b>	July 28, 2019	<b>By:</b>	Paul J. Kim
<b>Source:</b>	Costar		
<b>Verification:</b>	Inspection, public records, recorded grant deed		

767-38  
25-30

TRA 068-085

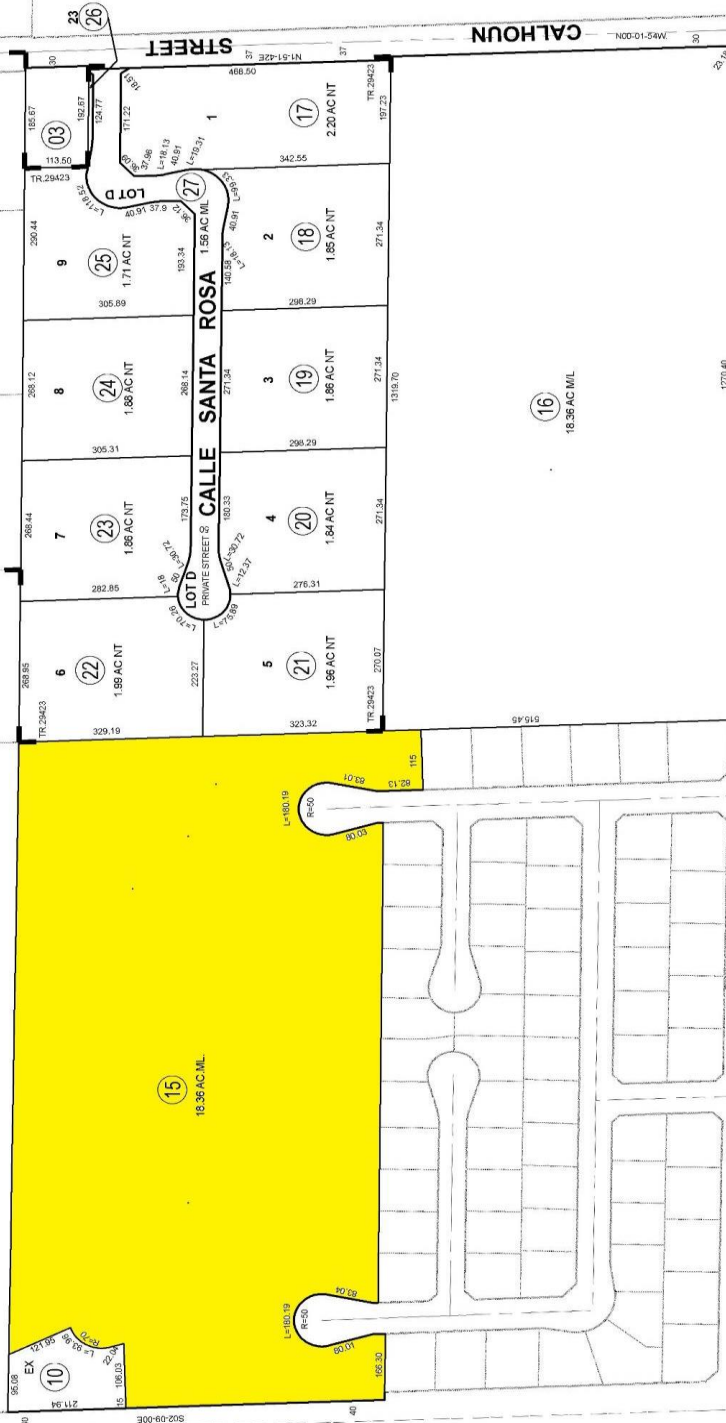
NW 1/4 OF SEC. 13, T.6S., R.7E.

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



**Legend**

- Lot Lines
- Right-Of-Way
- Old Lot Lines
- - - Reference R.O.W.
- · · · · Other Easements
- · · · · Lease Area
- Subdivision Tie Mark



55TH AVE. 13

Date	Old Number	New Number
01/1989	45	78
01/1984	1	9-10
01/2001	7	11-12
01/2001	8, 12	13
01/2001	8, 11	14
01/2001	14	PG 38
01/2004	13	15, 31
01/2004	6	16, 36
01/2004	5	17, 37
01/2007	35, 19	36, 11, 27

Pg 39	Pg 40
Pg 37	Pg 46
Pg 34	Pg 42
Pg 59	Pg 47
Pg 36	Pg 43



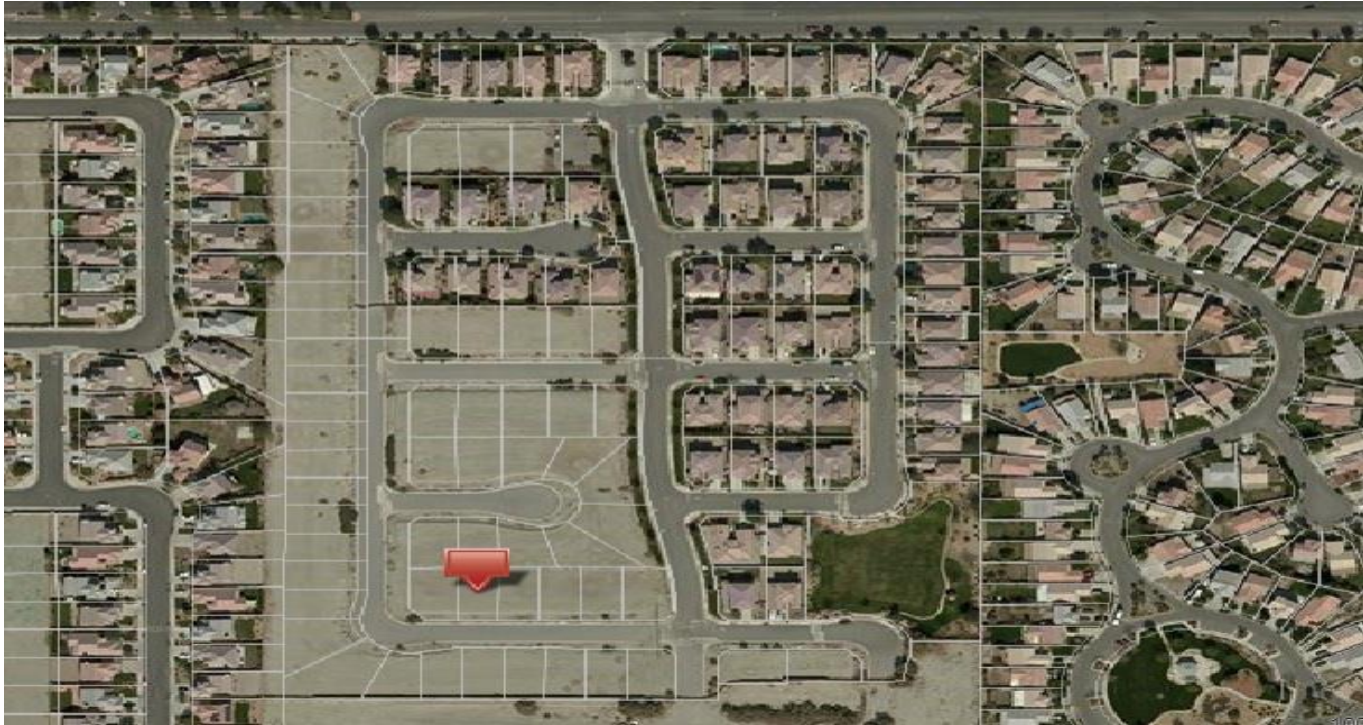
ASSESSOR'S MAP BK 767 PG 38  
Riverside County, Calif.

Data  
G.L.O.  
arrudity

Map Reference  
MB 41726 - 31 TRACT MAP NO. 29423

Sep. 2017

COMPARABLE NO. 4



S/O Avenue 50 & W/O Via Prado

Coachella, CA 92236

APN:	768-030-032 thru -035 & -065; 768-040-031 thru -036, -039 thru -059 & -061	Document No.:	307215
Grantor:	Sunwood Prado, LLC		
Grantee:	D.R. Horton Los Angeles Holding Company, Inc.		
Date of Sale:	July 19, 2018	Site Area:	446,804
Recording Date:	July 31, 2018	Shape:	Rectangular
Down Payment:	100%	Intended Use:	Parking Lot
Financing:	Cash	Present Use:	Vacant Land
Sale Price:	\$878,000	Highest & Best Use:	Residential
Sale Price PSF (Land):	\$1.97	Zoning:	R-S

**Comments:** New residential subdivision - Prado Pointe by D.R. Horton. This is the first purchase of approximately 31 lots with 2 streets. The sites appear to be graded with curb cutouts.

Inspection Date:	July 28, 2019	By:	Paul J. Kim
Source:	Costar		
Verification:	Inspection, public records, recorded grant deed		

768-03  
765-80

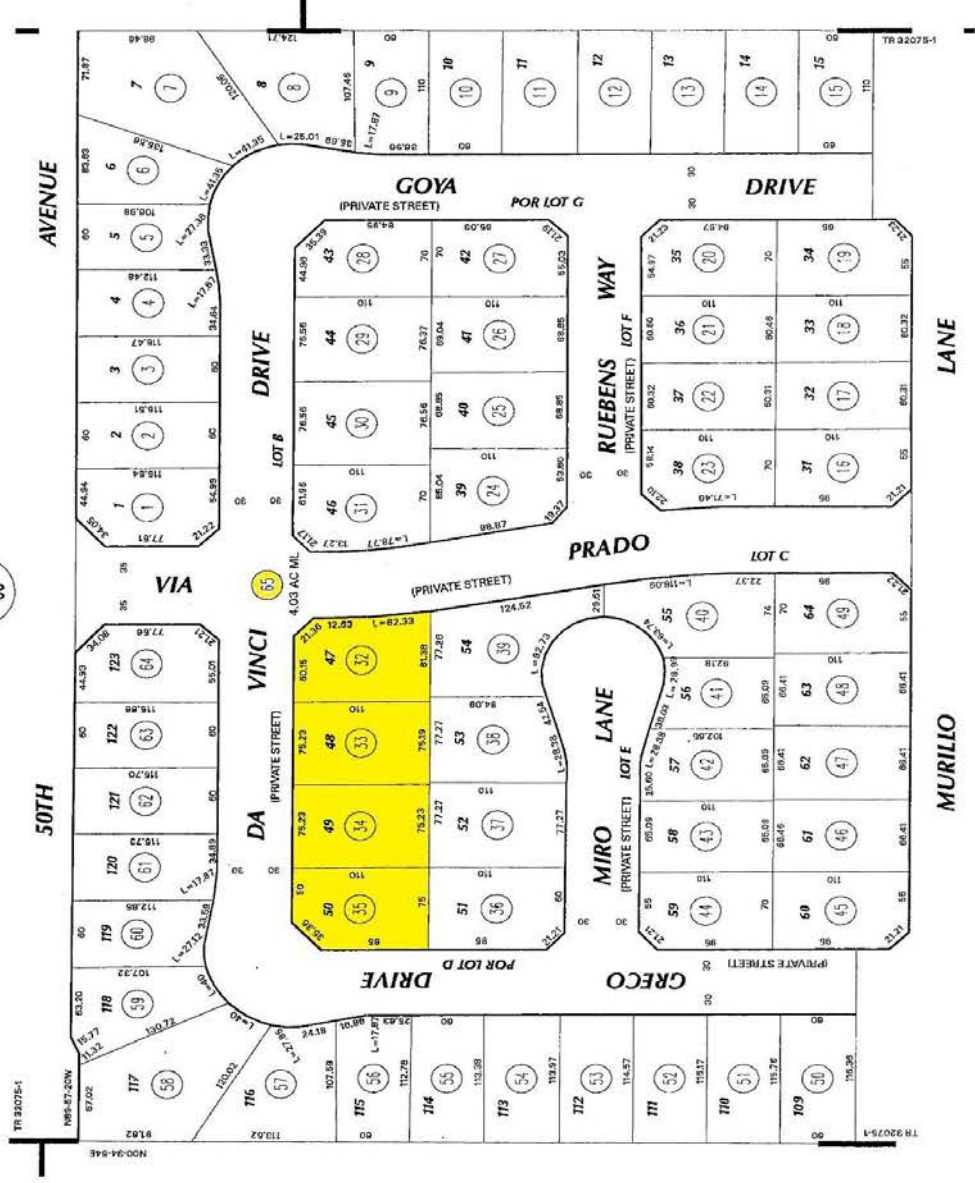
T.R.A. 012-044

POR. W 6 T. 6S., R. 8E  
CITY OF CONCHELLA

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

MAR 15 2007

603  
55



08

09

04

01

02

768-03  
765-80

MB 387/39-42 TRACT MAP NO. 32075-1

ASSESSOR'S MAP B765 PG-03  
Riverside County, Calif.

6008

Oct 2005

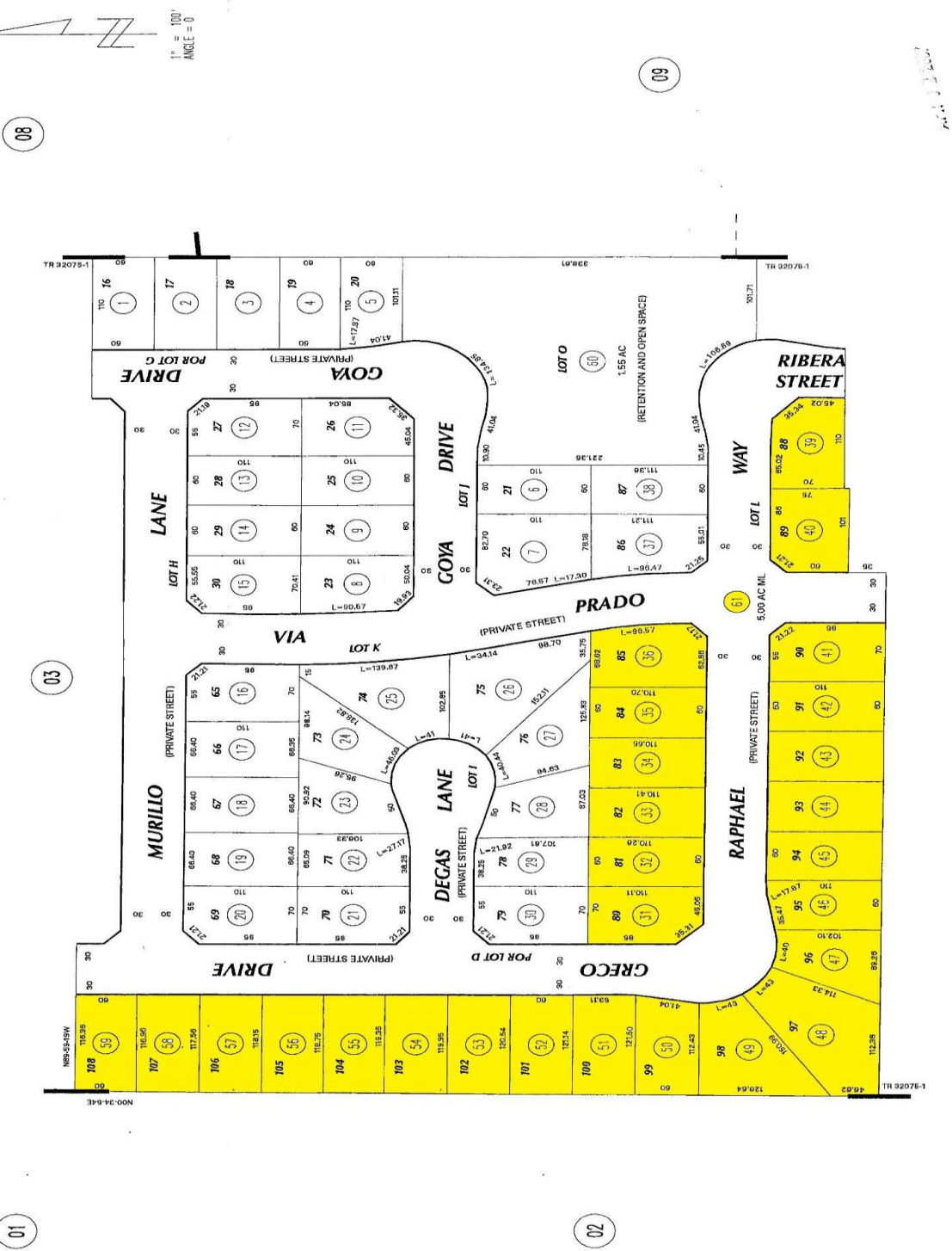
768-04  
765-81

T.R.A. 012-044

POR. W 6 T. 6S., R. 8E  
CITY OF CONCHELLA

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

MAR 15 2007



ASSESSOR'S MAP BK768 PG. 04  
Riverside County, Calif. *OCB*

MB 387/39-42 TRACT MAP NO. 32075-1

Sep 2006

**COMPARABLE NO. 5**



**W/O Washington St. & N/O Avenue 58**

**La Quinta, CA 92253**

<b>APN:</b>	643-090-024	<b>Document No.:</b>	476275
<b>Grantor:</b>	BHT II La Quinta 74, LLC		
<b>Grantee:</b>	Salamambo, LLC		
<b>Date of Sale:</b>	November 13, 2017	<b>Site Area:</b>	1,234,055
<b>Recording Date:</b>	November 14, 2017	<b>Shape:</b>	Irregular
<b>Down Payment:</b>	100%	<b>Intended Use:</b>	Residential
<b>Financing:</b>	Cash	<b>Present Use:</b>	Vacant
<b>Sale Price:</b>	\$2,800,000	<b>Highest &amp; Best Use:</b>	Residential
<b>Sale Price PSF:</b>	\$2.27	<b>Zoning:</b>	RL

**Comments:** Irregularly shaped vacant site. Density: 2-4 units per acre.

<b>Inspection Date:</b>	July 28, 2019	<b>By:</b>	Paul J. Kim
<b>Source:</b>	CoStar		
<b>Verification:</b>	Inspection, public records, recorded grant deed		





## **2.0 PROJECT DESCRIPTION**

### **2.1 PROJECT LOCATION/SETTING**

The City of Coachella is located in the southwestern portion of the Coachella Valley in eastern Riverside County, California (refer to Exhibit 1, *Regional Vicinity Map*). The Coachella Valley straddles the southern edge of the Mojave Desert and the northern edge of the Colorado Desert. The 38-acre Project site is located in the western portion of the City of Coachella and is bounded by Avenue 50 to the north, vacant land and Van Buren Street to the east, vacant land and Avenue 51 to the south and Calhoun Street to the west (refer to Exhibit 2, *Site Vicinity Map*). The Project site is currently zoned Agriculture Transition (A-T).

### **2.2 PROJECT CHARACTERISTICS**

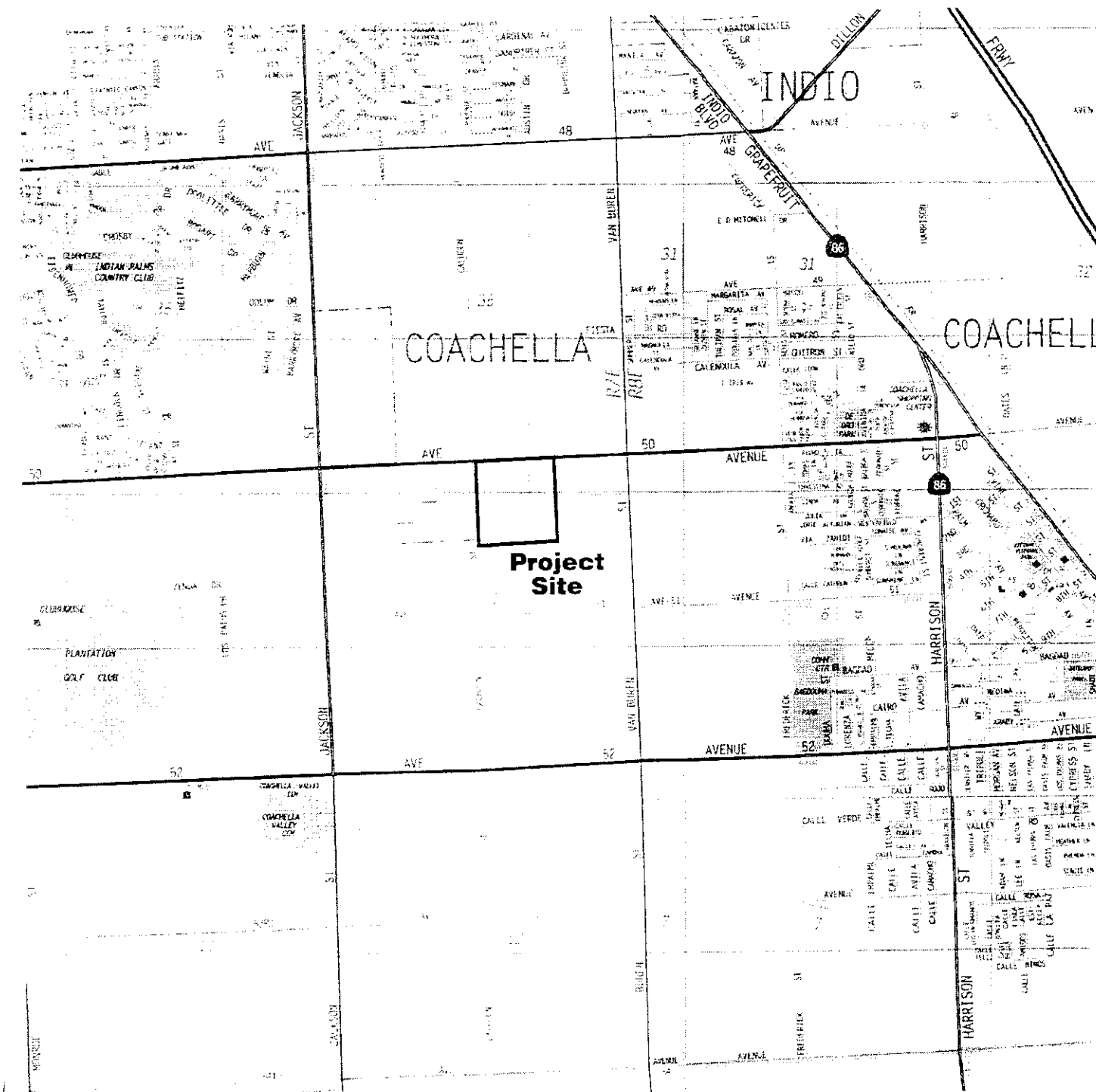
The proposed Project site has a zoning designation of R-S (Residential Single-Family Zone), consistent with the development of the proposed 155 single-family dwelling units (refer to Exhibit 3, *Preliminary Site Plan*). The single-family lots would range from approximately 6,054 square feet to 11,694 square feet. Upon development of the proposed Project, the site would be composed of approximately 25.08 net acres of residential lots, 10.23 net acres of street and 1.99 net acres of drainage facilities. Project site access is proposed at one full-access location on Avenue 50 and one full-access location on Calhoun Street.

### **2.3 PROJECT PHASING**

The proposed Project is anticipated to begin construction in early 2005. The Project would be developed in one phase and is anticipated to take approximately 12 months for completion.



Exhibit 2, Site Vicinity Map



Source: Thomas Guide, Riverside County, 2003, pages 5470, 5471, 5530 & 5531.



12/2/03 JN 20-100473-10754

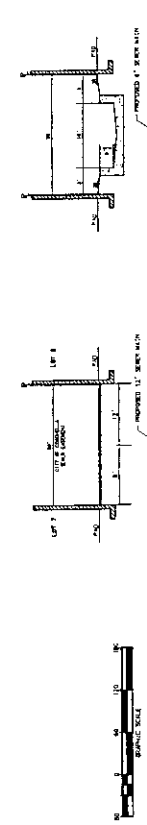
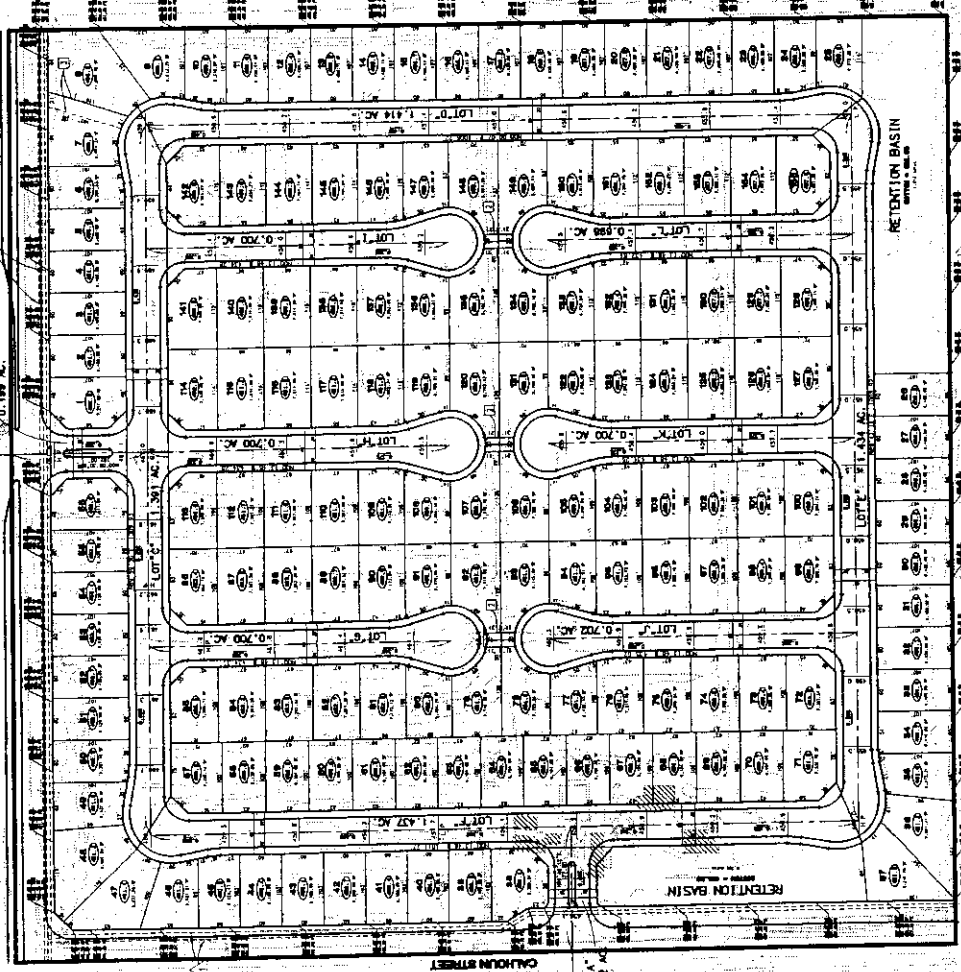
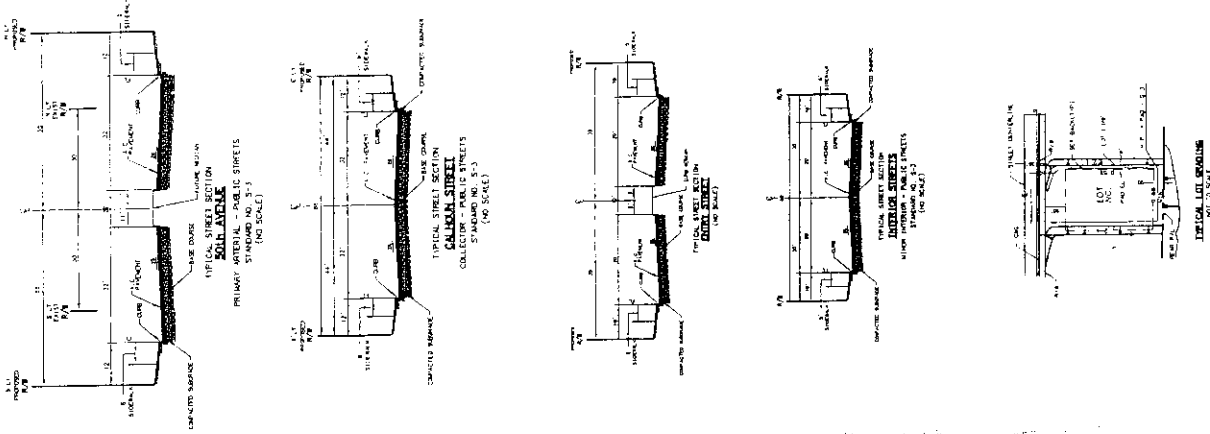
HADLEY PROJECT  
**Site Vicinity**

Exhibit 2

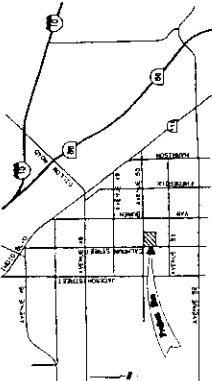
IN THE UNINCORPORATED TERRITORY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
**TENTATIVE TRACT MAP NO. 32074**  
 BEING A PORTION OF THE NORTH-HALF OF THE NORTHEAST QUARTER  
 OF SECTION 1, T. 8S., R. 7E., SAN BERNARDINO MERIDIAN

**RBF**  
 CONSULTING  
 APRIL, 2004

(TRACT 30728)  
 (TRACT 30871)



PROPOSED TO BE WITHIN  
 PROPOSED TO BE WITHIN  
 PROPOSED TO BE WITHIN



**EXHIBIT NOTES**  
 1. ALL DIMENSIONS ARE IN FEET AND INCHES.  
 2. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR TO THE CENTERLINE OF THE LOT.  
 3. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR TO THE CENTERLINE OF THE LOT.  
 4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR TO THE CENTERLINE OF THE LOT.

**OWNER**  
 JACKSON DEVELOPMENT COMPANY, LLC  
 A CALIFORNIA LIMITED LIABILITY COMPANY  
 10000 JACKSON DRIVE, SUITE 100  
 JACKSON, CALIFORNIA 92431  
 (951) 960-8111 FAX

**PREPARED BY**  
 RBF CONSULTING  
 10000 JACKSON DRIVE, SUITE 100  
 JACKSON, CALIFORNIA 92431  
 (951) 960-8111 FAX

**LEGAL NOTES**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**DEED RECORDS**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**ASSIGNOR'S PARCEL NO.**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**LAND**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**LAND**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**LAND**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**LAND**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**LAND**  
 THIS TRACT MAP IS SUBJECT TO THE RIGHTS OF THE CITY OF RIVERSIDE, CALIFORNIA, TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES AND TO TAKE ANY NECESSARY ACTION TO PROTECT THE PUBLIC INTEREST IN THE PROVISION OF PUBLIC UTILITIES.

**RBF**  
 CONSULTING