



DEL RIO SPRINGS
CHINO VALLEY

A 3,055 ACRE DEVELOPMENT SITE
CHINO VALLEY, AZ

DELRIOSPRINGS.COM

MGS _____
REALTY PARTNERS

Mark Winkleman
President

(602) 432 5955

mw@mgsrealty.com

W

HERE ARIZONA'S PAST
MEETS ITS FUTURE

HISTORY OF DEL RIO SPRINGS

Del Rio Springs played an important part of Arizona's early history. Chosen due to its supply of dependable water and central location, it was the site of the first capitol of the Territory of Arizona established in 1863.

In the early 1900s the Fred Harvey company purchased some of the acreage to provide supplies to its restaurant operations, including those at the Grand Canyon, and to provide grazing land for the famous Grand Canyon mules.

CHINO VALLEY, AZ

Chino Valley is located in north central Arizona on Highway 89, just 15 miles north of Prescott and Prescott Valley and 90 minutes north of metropolitan Phoenix. At an elevation of 4,656 feet, Chino Valley enjoys four mild seasons and more than 300 days of sunshine per year. Residents enjoy outdoor activities in nearby forests, mountains, hills, grasslands, rivers and lakes, and wildlife such as antelope, deer and coyote are part of the landscape. The population of the Chino Valley area is approximately 11,000. The population of Prescott and Prescott Valley are approximately 40,000 and 45,000 respectively.

INVESTMENT HIGHLIGHTS

- Fee title to over 3,055 acres bisected by highway State Route 89. Entirely within the corporate limits of Chino Valley.
- Secure water right portfolio sufficient to develop entire acreage.
- Pro-growth town willing to grant necessary entitlements.
- 600 prepaid sewer hook-ups having a value of between \$2.7M and \$3.6M.
- Historically significant property providing unique marketing opportunities.
- Low operating costs with entire property having grazing status for property tax purposes.
- Owner is willing to consider a cash or terms sale or joint venture structure.

PRICING

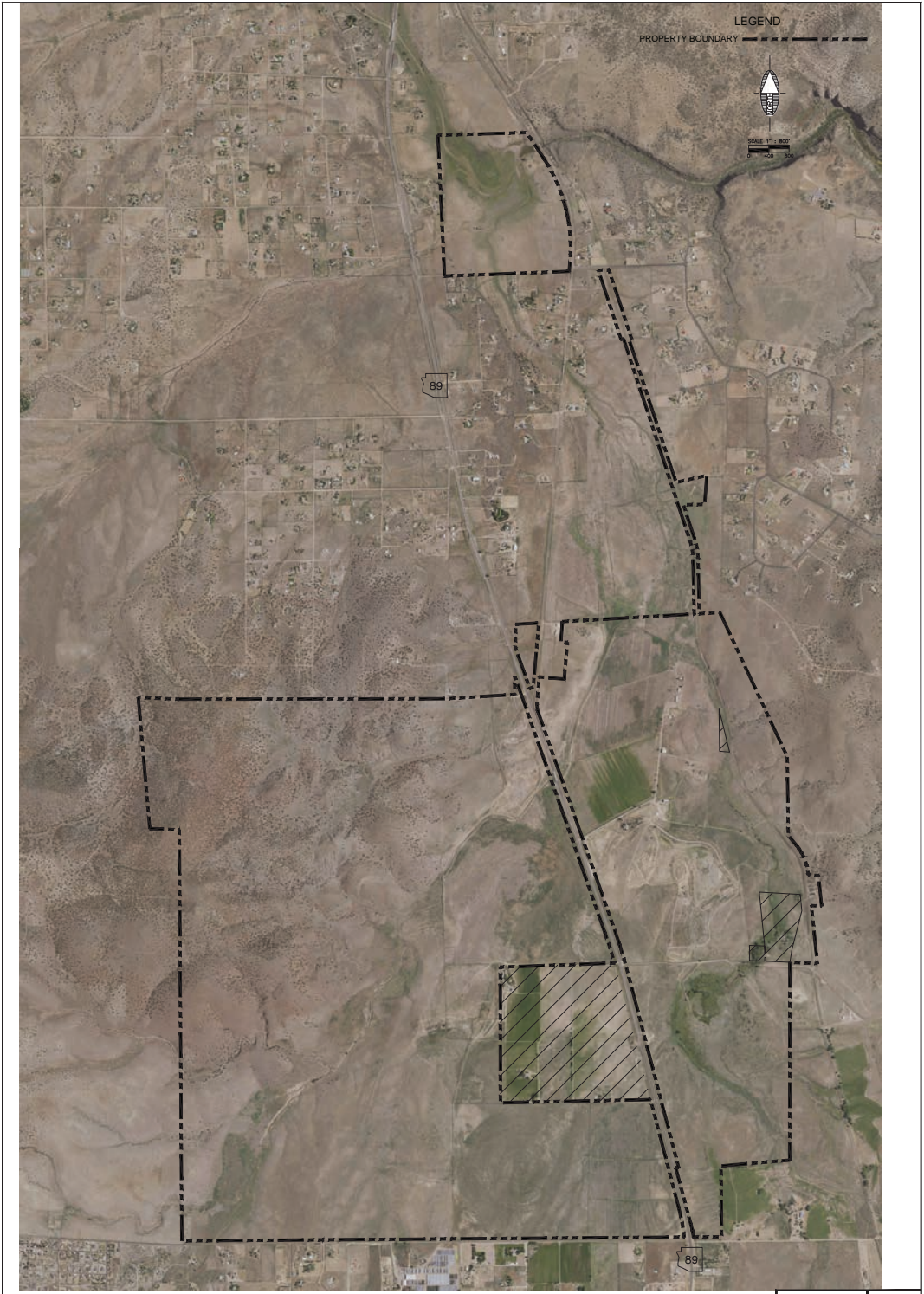
- Please submit your offer.
- The owner may consider selling all or a portion of the Property.
- Owner may also consider providing financing or a joint venture structure.




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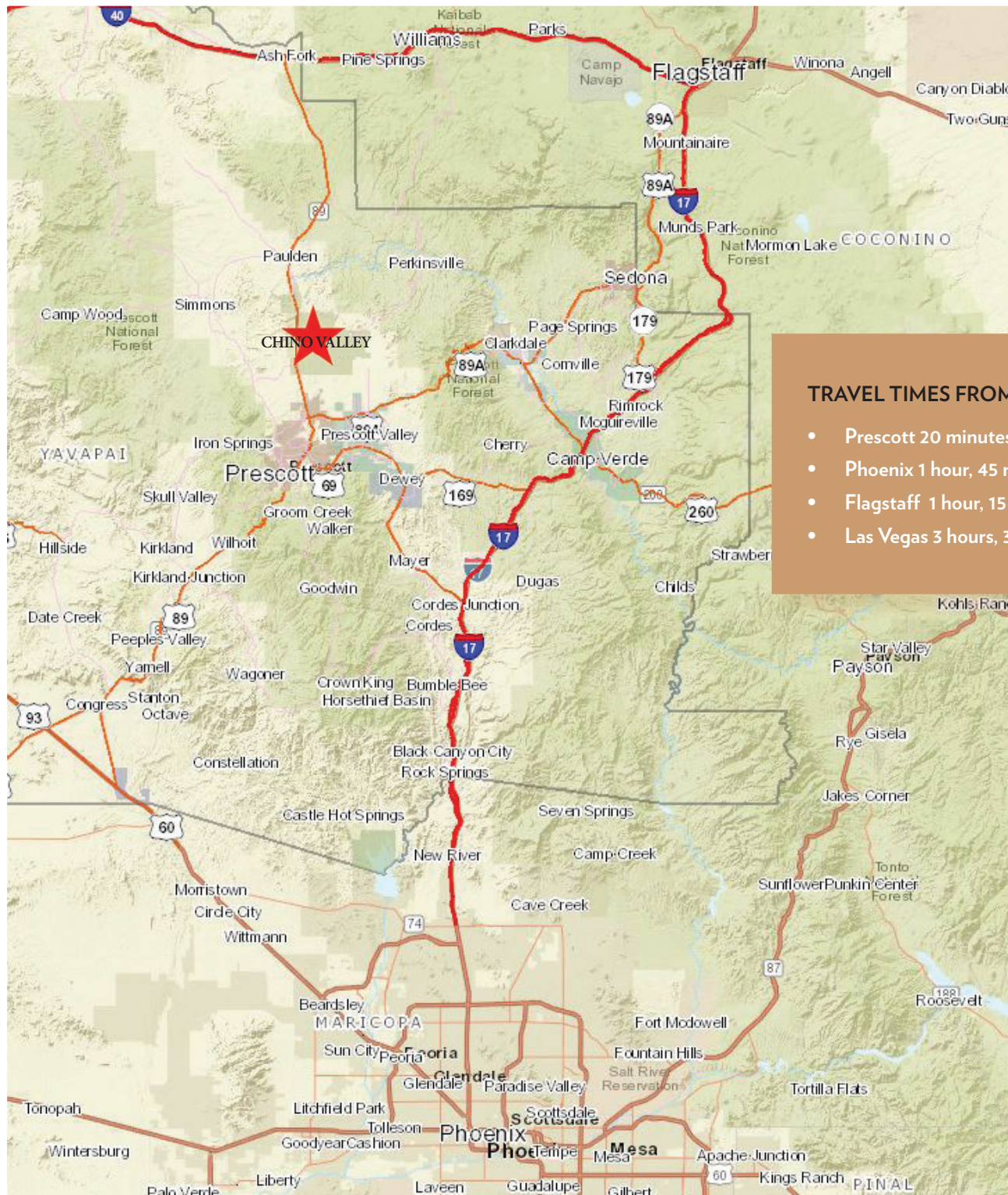
LOCATION



3.

<p>Call at least two full working days before you begin work.</p>  <p>Shepard Associates, Inc.</p>	<p>221 N. Marling St. Suite 102 Prescott, AZ 86301 928.547.0443 928.541.1079, fax www.swi.com</p>	<p>JOB NO. 12035</p>	<p>DEL-RIO-SPRINGS</p>	<p>CHINO-VALLEY AZ</p>	<p>DRAWING NO. EX-1</p>
		<p>DATE: 8-20-2016</p>	<p>SCALE: 1"=800'</p>	<p>DESIGNER: GAS</p>	<p>BOUNDARY-EXHIBIT</p>
		<p>DESIGNER: MEA</p>			<p>SHT NO. OF</p>
		<p>CHECKED: MEA</p>			<p>1 1</p>

LOCATION



TRAVEL TIMES FROM CHINO VALLEY

- Prescott 20 minutes
- Phoenix 1 hour, 45 minutes
- Flagstaff 1 hour, 15 minutes
- Las Vegas 3 hours, 30 minutes



THE PROPERTY IS LOCATED ON BOTH SIDES OF SR-89,
BETWEEN ROAD 5 NORTH AND BETHANY LANE IN
CHINO VALLEY, YAVAPAI COUNTY, ARIZONA.

LOCATION



DEL RIO SPRINGS

One of the Southwest's most unique regions is ready to give rise to an authentic and unmatched new community. Consisting of over 3,000 acres and ample sources of water, Del Rio Springs can achieve the heights of a signature community. Del Rio Springs will bring new vibrancy and energy to Yavapai County with a compelling blend of exceptional residential, retail, hospitality and recreational offerings in one unique location.

Experience the grandeur of the distant mountains, and an array of wildlife and natural beauty and a near perfect climate. Del Rio Springs enjoys a readily accessible location 20 minutes north of Prescott and 1.5 hours from Phoenix. Surrounded by natural beauty and immersed in early Arizona history, it is the best Arizona has to offer.



WATER PORTFOLIO

Three primary sources of water are available to obtain one or more Certificates of Assured Water Supply for the Property:

1. Two Extinguishment Certificates for a total of 22,180 assured water supply credits.
2. The right to 7,500 acre feet of assured water supply credits from the Town of Chino Valley pursuant to a Water Rights Agreement with the town.
3. The Arizona Department of Water Resources has determined that the property has approximately 30 historically irrigated acres outside of the boundaries of the Prescott Active Management Area. Water from this area can be imported by a city or town into and used within the AMA. Approximately 92 acre feet could be imported annually and used for assured water supply purposes.

Using these sources, the owner's water consultant has calculated that up to 1,940 units could be developed on the property (assuming a use rate of 5 units per acre foot). The number of developable units will be dependent upon the type and characteristics of the residential development. Additionally, once development occurs the use of reclaimed effluent could significantly increase the number of units that could be developed. A Certificate of Assured Water Supply must be obtained for all subdivisions within an Active Management Area in Arizona that require a public report from the Arizona Department of Real Estate.

Without using the above described water resources, it appears that significant portions of the Property could be developed as "dry lot" subdivisions of single family home lots of greater than 1 acre with both onsite septic tanks and wells. With this type of development, significant infrastructure costs could be avoided and non-contiguous subdivisions in multiple locations on the Property could be developed simultaneously.

The Property has a series of natural artesian springs that originate on and flow through the Property. Water rights relating to the surface flow of these springs date back to 1864. These waters may be available to use in connection with amenities that could be developed on the Property.

The Owners also hold a Certificate of Grandfathered Groundwater Rights which grants a Type 2 Non-Irrigation Grandfathered Right for 63.44 acre feet of groundwater annually. This water could be used in the development of commercial uses on the Property or sold by the owners independent of the Property.

ENTITLEMENTS

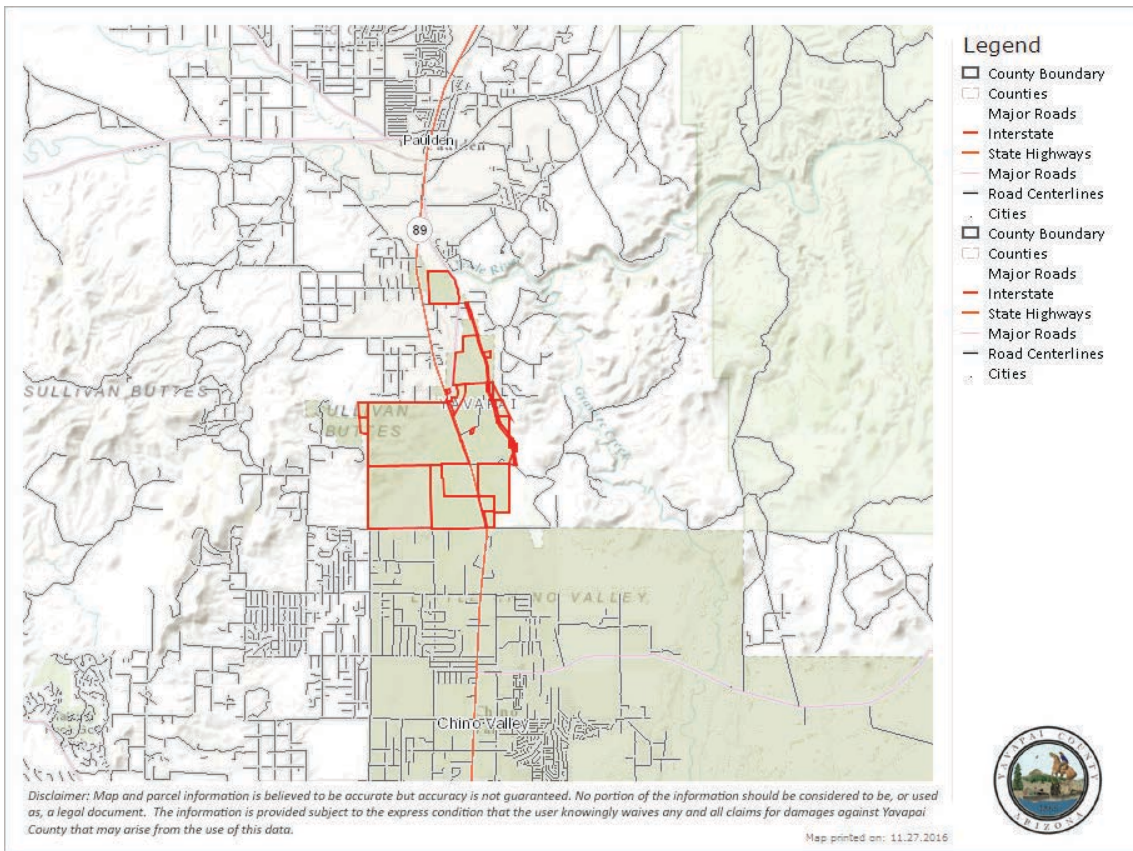
A development agreement was previously entered into with the Town of Chino Valley providing for 1,587 acres of single family homes, 103 acres of multi-family uses, 293 acres of commercial uses, 37 acres of resort/hotel use and 953 acres of open space. The development agreement expired in 2015, however, the Town representatives are committed to create an updated land use plan and provide the necessary entitlements, which may include tools such as fee waivers and tax deferrals.

SEWER

Significant funds have been contributed by the property owners to the Town for the construction of a waste water treatment facility. The Town sewer system is currently within 1.5 miles of the Property. The Property owners have purchased 600 sewer hook-ups. The value of these 600 hook-ups is between \$2,700,000 and \$3,600,000. The owners may choose to sell the hook-ups independently from the Property.

VALUE

The property was appraised for \$90,000,000 by CBRE in March 2008. The owners are aware of the significant decrease in land prices since 2008.



TAXES

2016 taxes = \$5,331

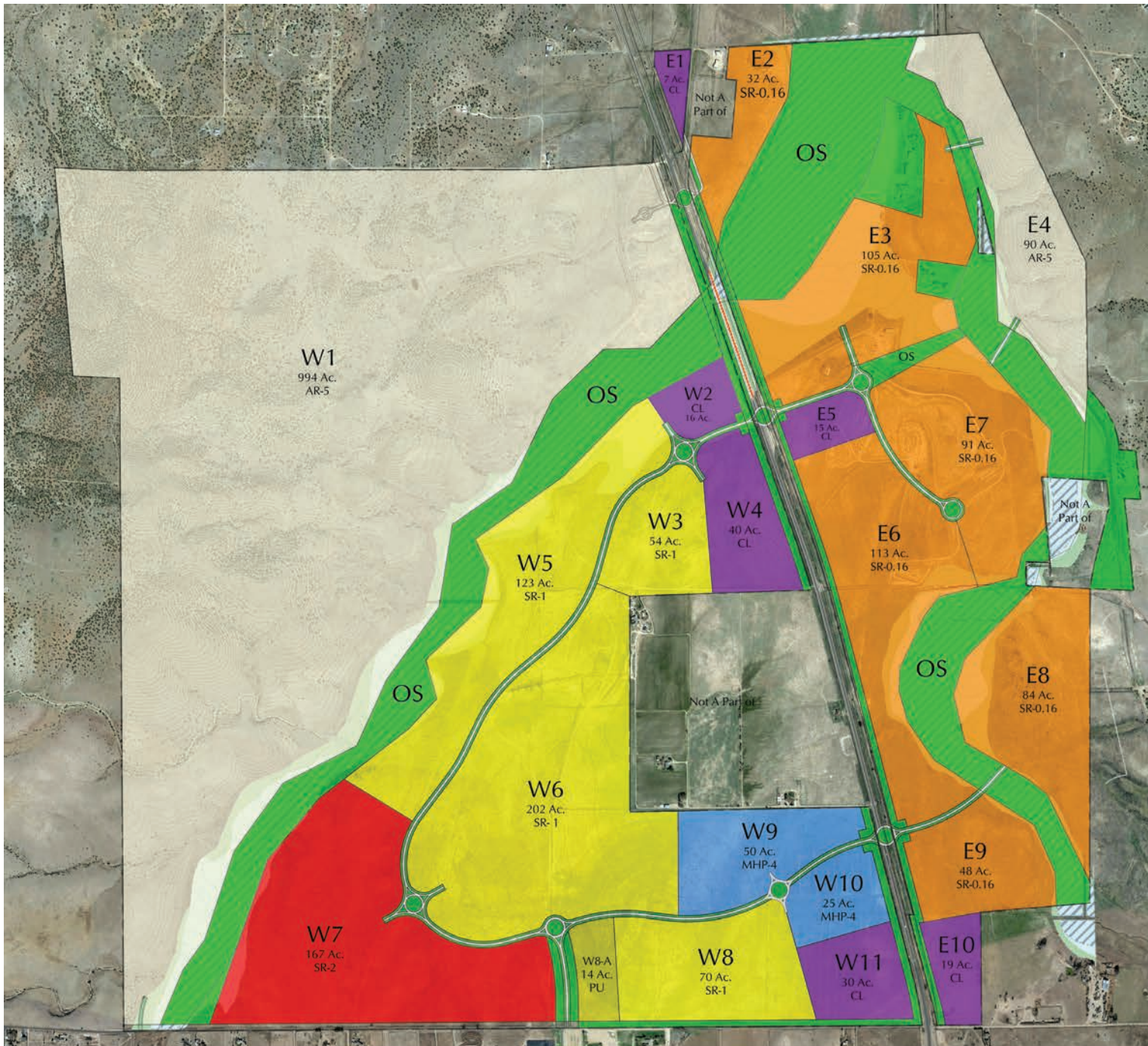
The Property is subject to an annual ranch and farm lease. Annual rent \$600.

TAX PARCEL NUMBERS

- 1 306-40-027Z 5
- 2 306-40-028E 5
- 3 306-40-028L 5
- 4 306-40-028N 3
- 5 306-40-028P 1
- 6 306-40-028Q 0
- 7 306-40-038 9
- 8 306-40-038A 8
- 9 306-40-055C 5
- 10 306-40-057 4
- 11 306-40-058 7
- 12 306-40-058A 6
- 13 306-40-061B 3
- 14 306-40-062 8
- 15 306-40-063 1
- 16 306-40-064A 3
- 17 306-40-064C 1
- 18 306-40-065A 6
- 19 306-40-118 8
- 20 306-40-320A 6
- 21 306-40-321 0
- 22 306-40-344 7
- 23 306-46-005 1

TAXES

POTENTIAL LAND USE MAP



Area	Zoning	Acreage	Target Density	Target Unit #
E1	CL	7		
E2	SR-0.16	32	2.0	64
E3	SR-0.16	105	3.4	358
E4	AR-5	90	0.2	18
E5	CL	15		
E6	SR-0.16	113	3.5	396
E7	SR-0.16	91	3.5	319
E8	SR-0.16	84	3.0	252
E9	SR-0.16	48	3.0	144
E10	CL	19		
E Total		604	2.6	1,550

Area	Zoning	Acreage	Target Density	Target Unit #
W1	AR-5	994	0.20	27
W2	CL	12		
W3	SR-1	54	0.6	32
W4	CL	40		
W5	SR-1	123	0.6	74
W6	SR-1	202	0.6	121
W7	SR-2	167	0.4	67
W8	SR-1	70	0.6	42
W8-A	PU	14		
W9	MHP-4	50	7.2	358
W10	MHP-4	25	7.2	180
W11	CL	30		
W Total		1,781	0.5	901

Overall		2,385	1.03	2,451
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Del Rio Springs

November 6, 2018
 0 400 800 1200
 SCALE: 1" = 400'

ECONOMIC ACTIVITY IN THE CHINO VALLEY / PRESCOTT/PRESCOTT VALLEY AREA

According to the US Census Bureau the number of residential building permits issued in Yavapai County increased from 968 in 2014 to 1,377 in 2015. The Arizona Department of Administration is projecting that the population of Yavapai County will increase by

over 31% during the next 20 years, from 217,778 in 2015 to 285,808 in 2035. The Arizona Office of Economic Opportunity reports that the Civilian Labor Force increased by 5.6% from October 2015 to October 2016.

PRESCOTT, AZ

Prescott offers an excellent quality of life, modern infrastructure, and an abundance of recreational opportunities. Prescott is in central Arizona, just 1.5 hours north of Phoenix and 1 hour south of Flagstaff.

Prescott's economy is driven by industrial, manufacturing, retail, healthcare and service businesses. The city is also the center for trade in the region, with abundant retail establishments, professional services and manufacturing plants. The Yavapai Regional Medical Center & Veterans Administration Hospital provide excellent diagnostic emergency and treatment centers. Travel and tourism, cultural institutions and government offices are important to Prescott's economy. Prescott is the county seat of Yavapai County.

A family-oriented community boasts a lifestyle of cultural, recreational and educational activities, a low crime rate and superior public services. The Prescott/Chino Valley/Prescott Valley region consists of more than 100,000 people and workforce of 62,000. The population has grown significantly during the last two decades.

Prescott National Forest, area lakes, and established trail and park systems provide numerous outdoor activities for residents and visitors. The city sits in a spectacular valley between the Bradshaw and Mingus Mountains.

RANKINGS

- Prescott - Best Places to Live by Money Magazine
- Prescott #5 among Fastest-Growing Small Metro Areas by Forbes.com
- NAU's Department of Astronomy ranked #2 nationally in 2011
- Among Top 100 Cities to Live and Launch a Business by Fortune SmallBusiness
- An Emerging Art Town by American Southwest Magazine
- Prescott is the 2nd Best Place to Retire in the U.S. by Smart Money/Wall Street Journal
- #3 in Huffington Post "10 American Spots You Don't Know About Yet, But Should"
- Top 10 True Western Towns." by True West Magazine
- In Top 10 "Dream Cities" by Sunset Magazine
- One of 50 Best Places to Live: The Next Great Adventure Towns by National Geographic by Adventure Magazine (2008)
- #3 in Top 10 Destinations on the Rise, Trip Advisor (2014)
- Top "Green" Arizona City by Sperling's Best Places
- One of Top 10 Most Popular Retirement Towns by TopRetirements.com and Money Magazine
- One of a dozen "Distinctive Destinations" by National Trust for Historic Preservation
- #1 in Top 25 for Clean Air by American Lung Association (2014 & 2015)

PRESCOTT

EASY COMMUTING,
RECREATIONAL AND CULTURAL
ATTRACTIONS,
SUPERIOR AIR QUALITY
ARE WHAT MAKE THIS REGION
A TOP PLACE TO LIVE, WORK
AND PLAY.

INDUSTRIES

Embry Riddle Aeronautical University is one of the leading aerospace universities in the country. It has a current enrollment of 2,200 students and benefits from its close proximity to the Prescott airport. The university is 17 miles directly south of Chino Valley down State Route 89.

Companies like Lockheed Martin and Prescott Aerospace have facilities near the Prescott Airport and are drawn by the area's near perfect flying weather.

More than 1M SF of warehouse space exists in Prescott. Easy highway access, as well as the local business climate, are attractions for warehousing and distribution.

The East Campus of the Yavapai Regional Medical Center is the hub of the medical community, and offers a wide range of surgical and medical services.

Prescott has a significant manufacturing sector with companies, such as MI Windows and Doors.



AIRPORTS / ARTERIALS

- Prescott Ernest A. Love Field (10 minutes) Horizon Air offers daily service to Los Angeles International Airport, and Great Lakes provide commuter service to Sky Harbor and Las Vegas.
- Flagstaff Pulliam Airport (1 hour, 20 minutes) is serviced daily by US Airways.
- Chino Valley is conveniently located close to I-40 via U.S. Highway 89 and State Highway 89A.

TRAVEL TIMES FROM CHINO VALLEY:

- Prescott 20 minutes
- Phoenix 2 hours
- Flagstaff 1 hour, 15 minutes
- Sedona 1 hour, 20 minutes
- Las Vegas 3 hours, 30 minutes

HIGHER EDUCATION

- Embry-Riddle Aeronautical University (15 minutes) has over 2,200 students and more than 400 employees
- NAU-Yavapai College (20 minutes) with over 8,000 students and 250 employees
- Prescott College (25 minutes) a private college offering both undergraduate and graduate degrees.

RETAIL AND ENTERTAINMENT

- Prescott Gateway Mall is the major shopping center (20 miles) featuring Dillard's, Sears, JC Penney, Bed, Bath & Beyond, and Pier 1 Imports. Other retailers include Sprouts Farmers Market, Safeway, Albertson's, Dick's Sporting Goods, Kohl's, and TJ Maxx.
- Prescott Town Center & Entertainment District features 14-screen Harkins Theatres.
- The 140,000 SF, 6,000-seat, \$35M - Prescott Valley Event Center is the entertainment district's anchor, hosting concerts, sporting events and family-style entertainment.
- Prescott Valley Crossroads, a 100- acre, 600,000 SF power center is a newer development (2008) Tenants include Sam's Club, Hobby Lobby, Home Depot, Sprouts Farmer's Market, Ross, and Dick's Sporting Goods.
- Glassford Hill Marketplace - 50 acre site, planned for regional retail uses (400,000 SF retail space). It includes a 68,000 SF Kohl's (opened in 2007), and a 150,000 SF Wal-Mart Supercenter (opened in 2014).
- Downtown Prescott features indoor and outdoor shopping with restaurants and shops, and 26 private art galleries. An annual Summer Concert Series brings more than 60 acts to historic Courthouse Square from June through September. The Square is also the venue for many arts and crafts shows, car exhibits, food festivals, and holiday/seasonal events.
- Prescott features 45 parks, 1,000+ acres of open space, trails, and four lakes totaling 850 surface acres with opportunities for fishing, kayaking, canoeing, paddle boating, camping, and hiking.
- Golf Courses - Antelope Hills Golf Courses, Prescott Lakes Golf & Country Club, Hassayampa Golf Club, Talking Rock Golf Club. The StoneRidge Golf Club (semi-private, designed by Bobby Weed) ranks as #1 public access golf course in the region (ranked by Golfweek Magazine).

IN THE
HEART OF
ARIZONA

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