

**AFFIDAVIT OF SHARON SCHMIEDER**

COUNTY OF MARICOPA )

) SS:

STATE OF ARIZONA )

I, Sharon Schmieder, an adult resident of the State of Arizona, upon personal knowledge, do hereby depose and state as follows:

1. I am providing an attached 2-page statement dated 9/10/19 to the Arcadia-Osborn Neighborhood Association for use in Case ZA-329-19 (4105 N 44<sup>th</sup> St – next to the Chick-fil-A facing E. Indian School Rd) at a hearing on September 12, 2019.
2. What I said in my statement is true and accurate to the best of my knowledge.

I solemnly affirm under penalties of perjury that the contents of this Affidavit are true and correct.

Sharon Schmieder

Sharon Schmieder

Dated this 10<sup>th</sup> day of September 2019

Subscribed and sworn to before me

this 10<sup>th</sup> day of September 2019

M.E.O. Vasquez  
Notary

My commission expires: 12.29.19



## STATEMENT OF SHARON SCHMIEDER RE ZA-329-19

1. My name is Sharon Schmieder. I'm giving this 2-page Statement for use in the September 12, 2019 hearing before the Hearing Officer in case #ZA-329-19 involving a proposed digital billboard at 4105 N 44<sup>th</sup> St (next to Chick-fil-A on E. Indian School Road)("The 4105 Billboard"). For over 30 years I've been involved in business planning and marketing, and this has included involvement in real estate site selection and financial analysis for two different national restaurant chains and, more recently, working with sellers and buyers of residential real estate in Phoenix for several years. Establishing the market value of residential real estate, working with real estate sales databases and appraisers, is an important part of my job. I have the expertise and knowledge to address the impact of The 4105 Billboard on the value of nearby residential real estate.

2. More specifically, for the past 6 years I've been a licensed real estate agent in Phoenix, AZ specializing in residential real estate, now with Keller Williams Real Estate Biltmore Partners as the CEO/team leader and Associate Broker for our market center. I live near 40<sup>th</sup> Street and E. Thomas Road, and so I'm familiar personally and professionally with the general Arcadia / Camelback area. Before becoming a real estate agent, my career included serving as Vice-President for Business Development of a company that provided marketing and sales consulting to its fortune 500 business clients, founding my own marketing firm, and serving as Director of Marketing and Director of Strategic Business Analysis, respectively, for two different national restaurant chains. My roles included not only marketing and community outreach, but also involvement with real estate site selection and financial analysis. In addition, I grew up in a "real estate family" – my father had his own commercial real estate company for many years and my mother was a successful residential real estate agent in Texas who then went on to lead the real estate department at a community college (she currently holds a broker's license in Texas and Colorado). I have a Master's Degree in Management, Hospitality from Cornell University and a Bachelor's Degree in Communications from the UC-San Diego. While attending UCSD, I worked full time in property management where I managed 685 apartments in the UTC/La Jolla area.

3. Residential real estate values are affected by a number of factors, but the presence of nearby billboards is among those factors. The primary study on this topic is called "Beyond Aesthetics: How Billboards Affect Economic Prosperity", which was researched and written by Jonathan Snyder in 2011. Mr. Snyder has a Bachelor's Degree and a Master's Degree in City Planning from the University of Pennsylvania. He is now Executive Director of North Branch Works, a nonprofit organization that for more than 30 years has promoted balanced, job-creating economic development along the North Branch of the Chicago River. Previously, Mr. Snyder was the Director of Business Financial Resources for the City of Philadelphia Department of Commerce. <https://www.linkedin.com/in/jonathan-snyder-2322b740/>. His Study analyzes the impact of billboards on real estate prices and on home values, and while it focused on Philadelphia, it presents its conclusions as generally applicable to other cities. The Study concluded (page 8) that "In Philadelphia, there is a significant correlation between real estate value (as measured by sales price) and proximity to billboards. Properties located within 500 ft of a billboard have a decreased real estate value of \$30,826." Even the values of properties beyond 500 ft were found to be negatively affected by nearby billboards. The Study also said (page 8) that "Having strict sign control does not negatively impact the economic prosperity of a city." Additionally, the Study states that billboards placed in residential areas have a negative impact on vacancy rates as well.

4. I've visited the residential neighborhood immediately north of The 4105 Billboard, particularly the 4100 block of E. Monterosa. This is a quiet residential street with nice homes, including some new construction. The 4105 Billboard (including the west-facing side) is visible, in whole or in part, both during the day and at night from a number of the residential lots on this streets, including lots which are less than 500 feet away and some of which are somewhat more than 500 feet away. At night, The 4105 Billboard currently shines low in the dark sky visible from some of these lots. Apparently, an older billboard was several feet lower, so I was surprised to learn that the City approved increasing the height of this billboard at this location, making it more visible to residences on E. Monterosa. The photo attached to this statement shows The 4105 Billboard from one of the back yards on E. Monterosa. If and when the west-face of The 4015 Billboard becomes digital, it will likely be even more noticeable at night because the images, colors, and light intensities will change a number of times each minute. What is an already difficult situation will become even worse for the residential lots where The 4105 Billboard is visible. Allowing The 4105 Billboard to become digital will certainly contribute

to the further downgrade of these property values and, as important, result in fewer potential buyers wanting to look at these properties on E. Monterosa.

5. I have seen the residential lots on the 4100 block of E. Monterosa that are affected by The 4105 Billboard. There is a wide variation in homes on this street (such as age, size, style, condition), and so a wide variation in market price exists. However, conservatively I would not expect any sales price to be less than about \$450,000 (with the exception of distressed properties or those that highest and best use is that of a land purchase for a new home) and one newly constructed home is up for sale at a price of \$1,269,000. Currently, using a very tight radius, for closed homes, the average sold \$/sq ft is at \$269 and the average closed sale is \$512,000. As the market has been on the rise, the active homes on the market show an average price of \$861,000 and an average \$/sq ft of \$302. The range in price for all of the homes actively on the market, pending, or closed (past 180 days) shows a range of \$400,000 to \$1,259,000 (the lowest priced home was in need of repair and the smallest in the comps at 1229 sq ft. Keeping in mind this range of values, and understanding that an average value will have homes whose values can be lower or higher, a conservative estimate is that the average purchase price of one of these affected homes, at least before any potential conversion of The 4105 Billboard to digital, is about \$512,000 (and certainly possibly higher). As a realtor familiar with this area, and with a strong financial analysis background, and based on the Snyder Study and other market considerations that realtors must consider, it's my professional conclusion that the existing non-digital billboard has already reduced the market price of these homes by an average of at least 5% - 7% (about \$25,600 - \$35,840 decrease) from what it would be if The 4015 Billboard was not visible at all (5% is a conservative number based on the fact that E. Monterosa, although a quiet residential street, is adjacent to the commercial area to its south). This decrease in value will likely be much more substantial, the larger/newer the home. After all, there are very few (if any) buyers that would like to purchase a \$1.2M home next to a glaring billboard as there are better options that would not have such an egregious misuse of space near a residential area. In addition, converting the present traditionally-lit billboard into a digital billboard on its west-facing side – visible at night to these homes on E. Monterosa – will further reduce values by at least another 2% to 3% from what it would be otherwise (about another \$10,240 to \$15,360). The reason for this additional decrease in value is that this would be a bright LED billboard and it would change messages every 8 seconds – different colors, tones, images, etc. – all of which is more disruptive than a static traditionally-lit billboard. The bottom line is that converting the 4105 Billboard to digital will contribute to the downgrade of these residential property values.

6. My analysis above is made in the current market time frame and area. If a digital billboard is permitted, the decrease in property values from what would be the situation without the billboard will likely become more significant should the market shift to a buyer's market, which will occur at some point (especially if there is a slow-down in the economy). Currently, the market still has tight inventory in this area and is still considered a seller's market for good properties, so my valuation above relates to the current seller's market. Also, a realtor would have a fiduciary duty to mention to potential buyers something as significant as this potential digital board or, if it is built, to encourage potential buyers to view the property at night. In this respect, it must also be pointed out that if The 4105 Billboard becomes digital, it will become only the second digital billboard on E. Indian School Road east of N. 44<sup>th</sup> Street until the Phoenix/Scottsdale city line (this does not count one digital billboard on N. 44<sup>th</sup> Street just north of E. Indian School Rd). Yes, there is one digital billboard just a few hundred feet away from The 4105 Billboard in the east direction on E. Indian School Rd., but that one digital billboard is unique because it is clearly part of and associated with the major intersection at N. 44<sup>th</sup> Street and E. Indian School Rd. In contrast, The 4015 Billboard location creates a new concern that these digital billboards will start migrating east of that major intersection and affecting more residential streets, which is out of character for this area east of N. 44<sup>th</sup> Street and something that home buyers will be aware of. Regardless of how much a buyer might be interested in one of these particular houses on E. Monterosa, and this neighborhood, a digital billboard visibly changing messages every 8 seconds in the dark sky would deter many potential buyers from even making an offer, and those who do make an offer would reduce their offer price in the range of the above amounts due to this billboard.



Sharon Schmieder

Date: September 10, 2019