

## Addenda



**Parcel No.:** 1-24118  
**Federal Aid No.:**  
**Project Name:** SR 9 Widening 176<sup>th</sup> Street to SR 96  
**R/W Plan Title:** SR 9 164<sup>th</sup> Street to 148th St SE  
 SR 9 148<sup>th</sup> Street SE to SR 96  
**Plan Sheet:** 6 of 6 & 2 of 8  
**Plan Approval Date:** July 31, 2020  
**Date of Last Map Revision:** August 15, 2024

## Certificate of Appraiser

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

- ◆ The statements of fact contained in this appraisal are true and correct;
- ◆ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conclusions, and are our personal, unbiased professional analyses, opinions, and conclusions;
- ◆ We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ We have no present or prospective interest in or bias toward the property that is the subject of this appraisal, and we have no personal interest or bias with respect to the parties involved;
- ◆ Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ Our compensation is not contingent upon the development or reporting of a predetermined value or direction 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;
- ◆ Our analyses, opinions, and conclusions were developed, and this appraisal has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, and appropriate State and Federal laws, regulations, policies and procedures applicable to the appraisal of right of way for such purposes;
- ◆ We made a personal inspection of the property that is the subject of this report. A personal inspection was made of the comparable sales contained in the report addenda;
- ◆ The property was jointly inspected with a representative of the owner on 10/25/2023;
- ◆ John C. Bryan, MAI provided significant professional assistance to the persons signing this report;
- ◆ We have disregarded any increase in Fair Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation. We have disregarded any decrease in Fair Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation, except physical deterioration within the reasonable control of the owner.

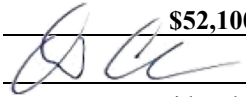
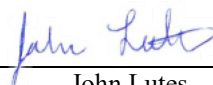
The property has been appraised for its fair market value as though owned in fee simple, or as encumbered only by the existing easements as described in the title report dated 7/9/2024.

The property was last inspected on 8/26/2024.

The **Date of Value** for the property that is the subject of this appraisal is 8/26/2024.

Per the definition of Fair Market Value contained in this report, the value conclusion for the property that is the subject of this appraisal on a cash basis is:

**Total Compensation**

Date of Assignment or Contract:	<u>8/20/2024</u>	Signature:	<u></u>	<b>\$52,100</b>
Date Signed (Report Date):	<u>11/12/2024</u>	Name:	<u>David Coleman</u>	
		Washington State Appraisal License Number:	<u>1101543</u>	
		Signature:	<u></u>	
Date Signed:	<u>11/12/2024</u>	Name:	<u>John Lutes</u>	
		Washington State Appraisal Trancee License Number:	<u>1002118</u>	

DO NOT WRITE BELOW THIS LINE

Headquarters Service Center Date Stamp

Region Date Stamp

## Addenda

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## Addenda

## Abbreviated Format Summary

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<b>Tax ID No(s):</b> 00403800014102, 00403800014101, 00403800015600 <b>Owner's Nm(s):</b> Snohomish County <b>Property Loc.:</b> 14806 SR 9 SE, Snohomish WA 98290																																																																																																																	
<b>Before Area:</b> 677,358 SF <span style="float: right;"><b>After Area:</b> 662,653 SF</span>																																																																																																																	
<b>Acq. Area(s):</b> <span style="margin-left: 100px;"><b>Fee:</b> 14,705 sf</span> <span style="margin-left: 100px;"><b>Perm. Easement Area(s):</b> NA</span> <span style="float: right;"><b>Temp Easement(s):</b> NA</span>																																																																																																																	
<b>Current Use:</b> Vacant <span style="float: right;"><b>Zoning:</b> R-5 Rural 5 Acre Minimum Lot Size Snohomish County</span> <b>H&amp;BU:</b> Vacant: SF Residential <span style="float: right;"><b>H&amp;BU: Improved:</b> NA</span>																																																																																																																	
<b>Problem Identification</b>	<p><b>Problem to be solved:</b> The Client, the Washington State Department of Transportation (WSDOT) has requested an appraisal to estimate the subjects Fair Market Value. WSDOT is proposing to acquire 14,705 square feet of land in fee simple interest along the eastern and a portion of the northern boundary of the subject property. WSDOT will also be imposing access restrictions on the northern boundary from SR 9 west a distance of 233 linear feet.</p> <p><b>Client and Intended Users:</b> WSDOT is the client and intended user, Snohomish County Public Works is an additional intended user of this report.</p> <p><b>Intended Use:</b> The intended use of this appraisal is to provide information to the client, the Washington State Department of Transportation, as a basis for acquiring the subject property needed for the proposed project. The use of this report is limited to the client and named intended users.</p> <p><b>Type of Value:</b> Cash</p> <p><b>Definition of Fair Market Value (WPI 150.08)</b> Fair market value means the amount in cash that a well-informed buyer, willing but not obligated to buy the property, would pay, and that a well-informed seller, willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted or may be reasonably adaptable.</p> <p><b>Definition of Larger Parcel:</b> In condemnation, the larger parcel is the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for consideration of severance damages. This is also known as the "parent parcel".</p>																																																																																																																
<b>Sales Relied On:</b> 1-4 & 1-3 contained in Data Package for this project dated: <u>8/26/2024</u> <b>Subject Sold Within Last 5 Years?</b> N If "Yes", is sale included in data package? <u>NA</u> <b>If no, explain why not:</b>																																																																																																																	
<b>Acquisition Compensation</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #2e8b57; color: white;"> <th></th> <th>Type</th> <th>Units</th> <th>Unit Value</th> <th>% of Fee</th> <th>Adj. Unit Value</th> <th>Mnth @ Rate</th> <th>Sub Totals</th> <th>Totals (R)</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;"><b>Fee Land:</b></td> <td>Acquisition</td> <td>14,705 SF</td> <td>\$3.54/SF</td> <td>100%</td> <td>\$3.54/SF</td> <td></td> <td>\$52,056</td> <td rowspan="2" style="text-align: center; vertical-align: middle;"><b>\$52,100</b></td> </tr> <tr> <td>Perm. Esmt(s):</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;"><b>Temporary Easement 1</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;"><b>Temporary Easement 2</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;"><b>Improv.(s):</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td rowspan="2"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="4" style="text-align: center; vertical-align: middle;"><b>Damages / Cost to Cure / Other:</b></td> <td>Limited Access</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0</td> <td rowspan="4" style="text-align: center; vertical-align: middle;"><b>\$0</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="7" style="text-align: right;"><b>Grand Total:</b></td> <td></td> <td style="text-align: center; vertical-align: bottom;"><b>\$52,100</b></td> </tr> </tbody> </table>		Type	Units	Unit Value	% of Fee	Adj. Unit Value	Mnth @ Rate	Sub Totals	Totals (R)	<b>Fee Land:</b>	Acquisition	14,705 SF	\$3.54/SF	100%	\$3.54/SF		\$52,056	<b>\$52,100</b>	Perm. Esmt(s):							<b>Temporary Easement 1</b>																<b>Temporary Easement 2</b>																<b>Improv.(s):</b>																<b>Damages / Cost to Cure / Other:</b>	Limited Access						\$0	<b>\$0</b>																						<b>Grand Total:</b>								<b>\$52,100</b>
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<p><i>This form is prepared in conformance with Federal and State policy and procedures, under the Uniform Relocation Act. In the Acquisition Compensation section above, each property interest total in the rightmost column are rounded up to the nearest \$100 by WSDOT Northwest Region policy.</i></p> <p><i>*Just Compensation for Administrative Offers is a minimum of \$500 by WSDOT Northwest Region Policy, so if the calculated compensation in the acquisition compensation section is less than that, the total acquisition compensation will be set at \$500.</i></p>																																																																																																																	

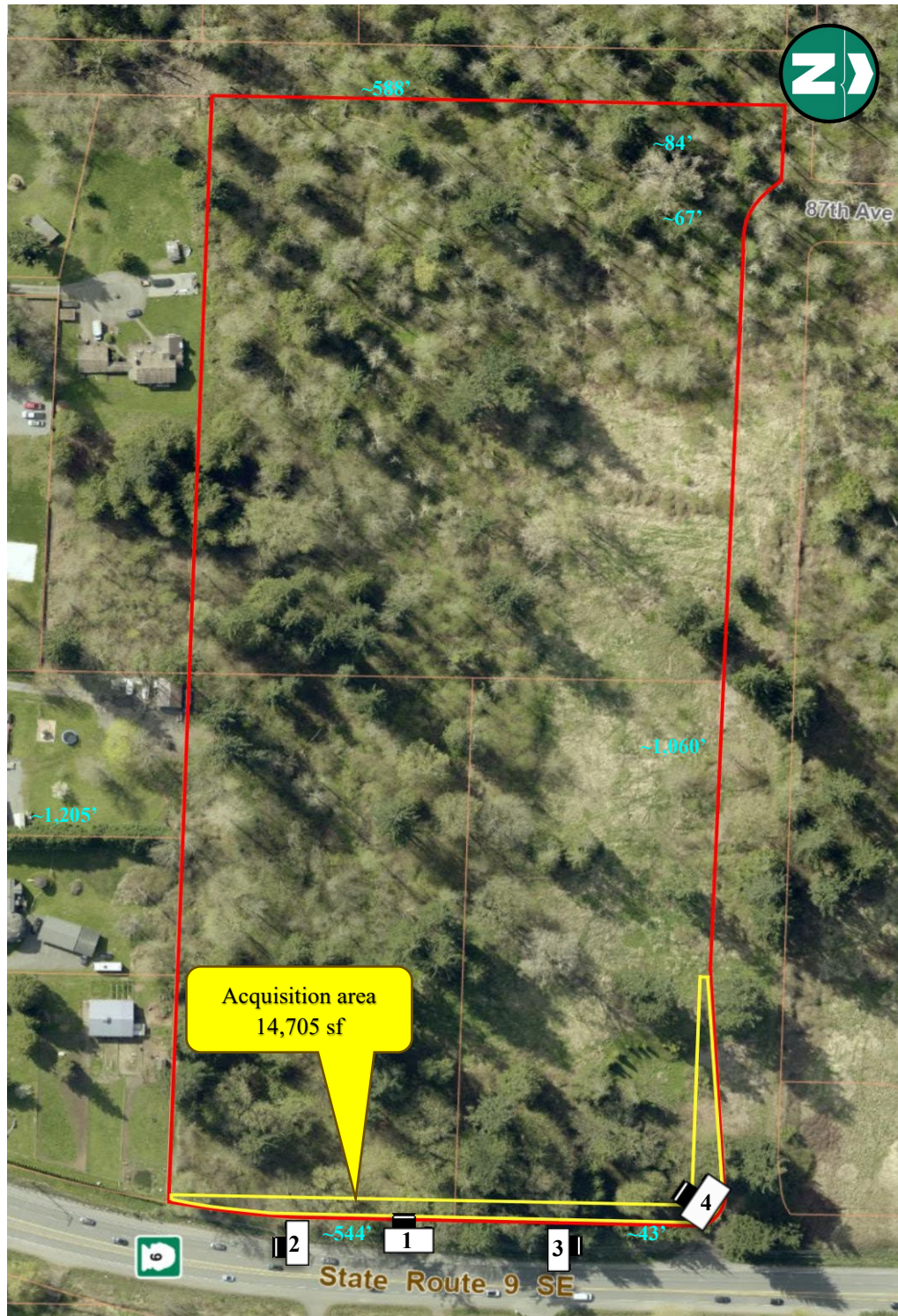


## Addenda

## Subject Aerial

(Shows site dimensions, access frontages, improvement locations, acquisition area, dimensions, north arrow, camera location and direction of each attached photo)

<b>Before Area: 677,358 sf</b>	<b>After Area: 662,653 sf</b>	<b>Fee Acquisition: 14,705</b>
<b>Permanent Easement Acquisition: None</b>		<b>Temporary Easement Acquisition: None</b>
<b>Limited Access/Access Notes: 233 lf</b>		



*Measurements approximate and not to scale.*



Addenda

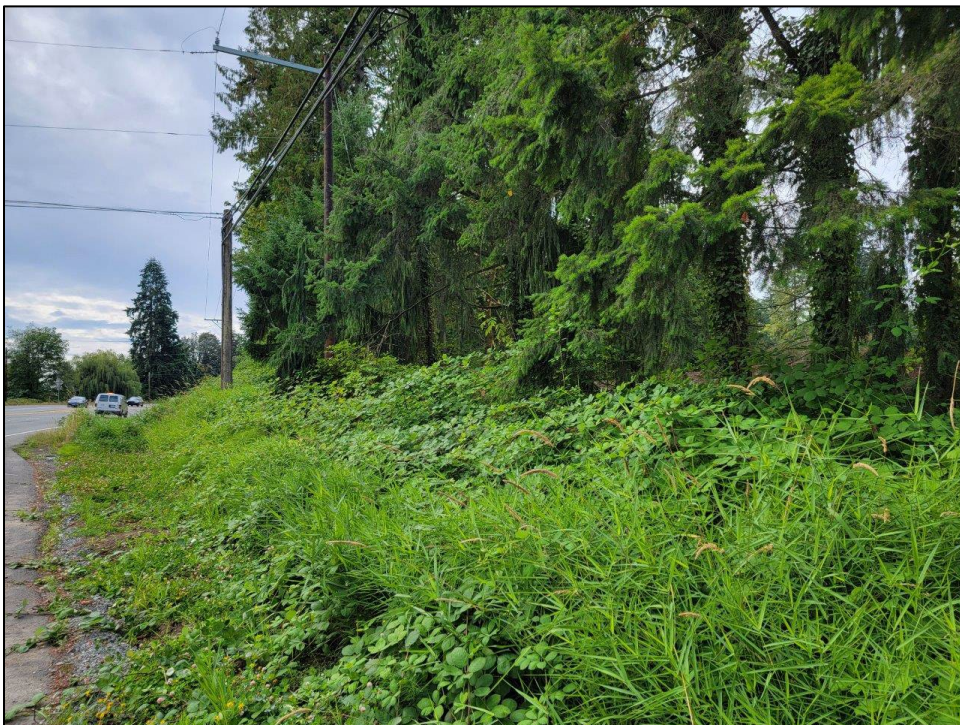
Subject Photographs

Date of Photos: August 26, 2024

Photographer: John Lutes



1. Looking west across the subject property.



2. Looking south along SR 9, subject frontage on the right.



Addenda



3. Looking north along SR 9 from the subject's NE corner.



4. Looking southwest across subject property.

## Addenda

**Description of Subject Property:****Location of the Subject:**

The subject is located at 14806 State Route 9, in unincorporated Snohomish County. It is on the west side of SR 9, approximately 0.10 miles south of Cathcart Way. The property is further identified by Snohomish County Assessor's parcel numbers 00403800014101, 00403800014102 & 00403800015600.

**Current Owner and Delineation of Title for the Last Five Years:**

The owner of record is Snohomish County, per the Snohomish County Assessors website. There have been no sales or transfers of title for the subject property in the last five years.

**Abbreviated Legal Description:****PARCEL A:**

Tract 141 of Cathcart Addition, EXCEPT the North 300 feet thereof, according to Plat thereof recorded in Volume 9 of Plats, Pages 39 to 42, in Snohomish County, Washington;

EXCEPT that portion thereof conveyed to State of Washington for Secondary State Highway No. 1-A by Deeds recorded under Recording Numbers 639748 and 8107280065.

**PARCEL B:**

The North 300 feet of Tract 141, Cathcart Addition, according to Plat thereof recorded in Volume 9 of Plats, Pages 39 to 42, in Snohomish County, Washington.

EXCEPT that portion thereof conveyed to The State of Washington for Secondary State Highway No. 1-A by Deeds recorded under Recording Numbers 639748 and 8107280065.

**PARCEL C:**

Tract 156, Cathcart Addition, according to Plat thereof recorded in Volume 9 of Plats, Pages 39 to 42, in Snohomish County, Washington;

Situate in the County of Snohomish, State of Washington.

**Scope of Work**

The subject property was last inspected on 8/26/2024 and this is the effective date of value. Inspection of the property at this time was limited to a view from the street. The property was inspected prior, on 10/25/2023, the appraiser was accompanied by Snohomish County Property Officer, Carl Jorgensen and WSDOT Acquisition Agent consultant, Sherri Clark. This inspection included a view of the interior of the property. Since the time of this first inspection, construction has begun on a park and ride

John C. Bryan, MAI assisted with the development of the Highest and Best Use analysis.

Only the sales comparison approach is developed. As a vacant property with no leaseholds and in a market where this is not common the income approach is not developed. This cost approach is not applicable since the property is unimproved.

Because the primary improvements are not consistent with the concluded highest and best use in this appraisal and because they will not be impacted by the proposed acquisition, these improvements are concluded to be unaffected and therefore are not appraised.

The Northwest Multiple Listing Service, Commercial Brokers Association Website and WSDOT's internal sales database were used to research and select comparable sales.

All of the sales were verified with Assessor and/or Auditor records as well as other publicly available information services. To the greatest extent possible, details of the comparable sales in this appraisal have been confirmed with parties to the transactions.



## Addenda

**Delineation of Larger Parcel:**

In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a larger parcel determination are contiguity, proximity, or interdependence as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use. (*Dictionary of Real Estate Appraisal, Sixth Edition*; Appraisal Institute, 2015)

There are three tax parcels that are the subject of this appraisal. They are identified by Snohomish County tax parcel numbers 00403800014101, 0040303800014102 and 00403800015600. The three parcels share unity of ownership, contiguity and unity of use and are the larger parcel in this appraisal.

**Property Rights to be Acquired and Effects of Acquisition/Project:**

The purpose of this assignment is to provide the client (WSDOT) with an opinion of value for the property rights required for the proposed SR 9 project. WSDOT will be widening SR 9 to the south of the newly constructed 148<sup>th</sup> Street SE to create an acceleration lane for vehicles turning south onto SR 9 from 148<sup>th</sup> Street SE.

The project will acquire 14,705 sf of land along the eastern and a portion of the northern property boundary. WSDOT will also be restricting ingress/egress by acquiring access control along the entire frontage of SR 9 and the easternmost 233 linear feet of 148<sup>th</sup> Street SE.

**Extraordinary Assumptions:**

This report is based on the assumption that the project will be constructed as proposed on the exhibit map included in this appraisal.

The property is encumbered by wetlands and the associated buffers and setbacks. This appraisal is premised on the extraordinary assumption that there is a buildable area of 126,000 square feet, based on scaled measurements from a wetland exhibit map produced by Snohomish County.

These assumptions may have affected the assignment results.

**Hypothetical Conditions**

State and Federal standards require the appraiser to disregard any decrease or increase in the fair market value of the subject caused by the project. This is also a Jurisdictional Exception in compliance with RCW 8.26.180. and WAC 468-100-102 (2).

This analysis is based on the condition that the project has been completed based on the plans and exhibits provided in this Appraisal, as of the effective date of value.

These conditions may have affected the conclusions in this appraisal.

**Land Area, Shape, and Slope:**

The property contains a total of 15.55 acres or 677,358 sf. It is mostly rectangular in shape. The subject, overall, has a rolling topography and sits slightly above the grade of SR 9.

**Accessibility and Road Frontages:**

The subject property has approximately 544 linear feet of frontage along SR 9, this section of the highway is classified Managed Access Class 3. 148<sup>th</sup> Street SE runs the entire length of the property's northern boundary, approximately 1,200 linear feet. The easternmost 233 linear feet of frontage along 148<sup>th</sup> Street SE are proposed to be limited access.

**Utilities:**

The site is serviced by Snohomish County PUD for electricity and Cross Valley Water District for water. Public sewer is available to the development on the north side of 148<sup>th</sup> Street SE but it is unknown where the terminus for this extension is presently located.

**Improvements:**

The site is in the process of being improved with a park and ride as part of a development agreement with the owner of the property to the north, opposite 148<sup>th</sup> Street SE. As mentioned, these improvements will not be affected by the proposed acquisition and are therefore not appraised.

## Addenda

## Real Estate Taxes:

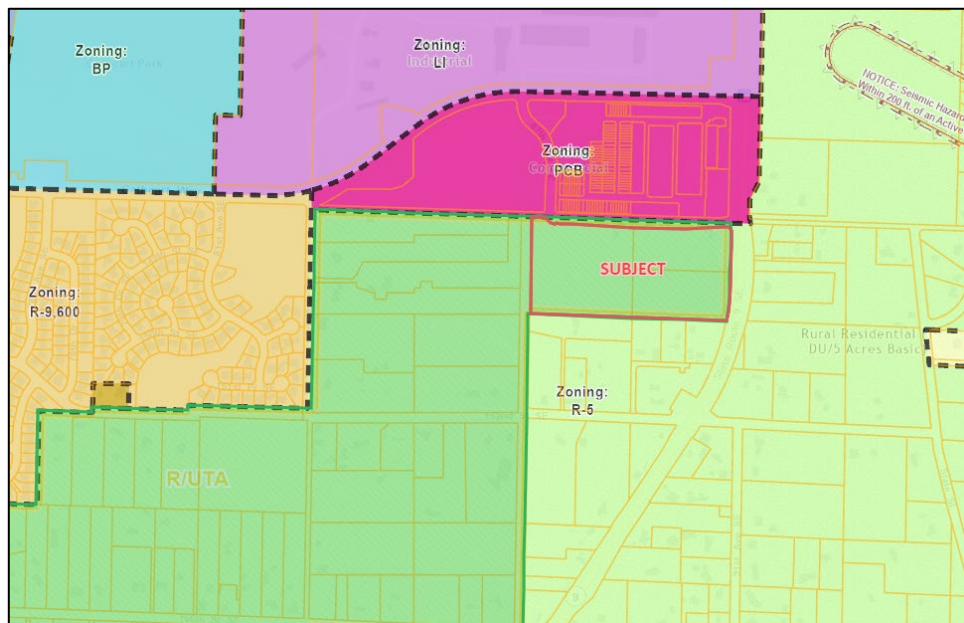
2024 Tax Year			
APN	Land	Size Acres	Improvements
00403800014101	\$501,100	3.90	\$0
00403800014102	\$537,800	3.56	\$0
00403800015600	\$712,100	8.09	\$0

As a municipally owned property, the subject is exempt from taxes. The current millage rate for the subject property is \$8.886072 per \$1,000 of assessed value.

## Current Use (as of the Effective Date of the Report):

As of the effective date of this report, the site is being improved with a park and ride facility consisting of 154 parking stalls and four bus platforms. A conditional use permit was issued by Snohomish County and a temporary easement for the construction was granted to Pacific Ridge-DRH, LLCs beginning on July 1, 2022, and ending on December 31, 2025, which is documented by Snohomish County recording number 202207130277.

## Zoning:



The previous map shows that the subject property is zoned R-5, Rural 5-Acre, by Snohomish County, within the Rural/Urban Transition Area (R/UTA).

The intent and function of the Rural-5 Acre zone is to maintain rural character in areas that lack urban services. The Rural category consists of zoning classifications applied to lands located outside of Urban Growth Areas (UGAs) that are not designated as agricultural or forest lands of long-term commercial significance. These lands have existing or planned rural services and facilities, and rural fire and police protection services. Rural zones may be used as holding zones for properties that are primarily in a transition area within UGAs on steep slopes adjacent to non-UGA lands designated rural or agriculture by the comprehensive plan.

The Rural/Urban transition area is for areas designated Rural Residential (RR) or Rural Residential-5 (RR-5) by the comprehensive plan and shown on the Future Land Use Map of the General Policy Plan (GPP) and on the official zoning maps. It is our understanding that the Comprehensive Plan can be amended once per year and properties located in transitional areas can be considered for upzoning with these amendments.

Directly across the street from the subject is zoned PCB, Planned Community Business, which is a fairly intense urban zone that allows for a wide range of multifamily residential and commercial components. A mixed-use project is underway that will reportedly include 286 townhouses, a self-storage facility and a fast food restaurant. Approximately 1,400 feet to the west are areas that are presently zoned R-9,600 that were developed 20 years ago with residential plats with a gross density of about 2.5 units per acre.

Given the location in an area denoted for future urban transition and located across the street from a moderately high density residential project, it is reasonable to assume that the property could be upzoned toward a more intense use within a reasonable timeframe. This will be discussed further in the Highest and Best Use section of this report.

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**Environmental Hazards:**

A search of the Washington Department of Ecology website did not return any reports of contamination, and none were observed during the site visit. A report by the Snohomish County Hearing Examiner (file no: 21-113268 CUP) notes there are eight wetlands, and a type F stream are present on the site. Five of the wetlands are category III and three are category IV. A detailed wetlands map that was prepared for Snohomish County is included in the Addenda. The subject property, as shown on that map, is captioned below and shows the majority of the site encumbered by either wetlands or buffers. There is a long contiguous north-south area through the west central part of the site that is outside sensitive areas. Scaled measurements show this area containing approximately 126,000 square feet, or 2.89 acres.

**Highest and Best Use**

In appraisal practice the concept of Highest and Best Use represents the premise upon which value is based. The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, defines highest and best use as: “The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.”

**Highest and Best Use As Vacant****Physically Possible:**

The subject site consists of 3 contiguous tax parcels totaling 15.55 acres, with good exposure and frontage on SR 9 and, upon completion of construction, will have access from 148<sup>th</sup> Street SE, which runs along the north side of the site. There are multiple wetlands and a stream on the property; however, it appears from the wetlands exhibit obtained from the county, there is at least an estimated 2.9 acres of usable area for development around the sensitive areas and associated buffer areas.

**Legally permissible:**

As discussed in the zoning section, the subject is presently zoned for rural residential with a base density of 1 unit per 5 acres but is also within the Rural Urban Transition Area (RUTA) that anticipates urban redevelopment. This type of redevelopment is underway immediately to the north of the subject property.

There is a binding agreement with Pacific Ridge-DRH, LLC (DR Horton) to develop a Park and Ride on a portion of the subject property, “for and in the sum of Mutual and Offsetting Benefits”. Snohomish county will still retain ownership and expects to contract with Community Transit for operation and maintenance of the park and ride facility over the long-term. As this is an uneconomic use for the subject property, this does not represent the highest and best use of the site.



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Under the R-5 rural zoning, a variety of residential uses and accessory agricultural uses are permitted, as well as some limited commercial. The property is comprised of three parcels and the minimum lot size is 5 acres per residential unit, indicating the parcels could be reconfigured through a boundary line adjustment to create 3 buildable residential lots or the site could be developed as a Rural Cluster Subdivision (RCS). This is the minimum density that the subject could reasonably achieve, and no formal platting process should be required.

The RUTA location suggests that the property could be a candidate for a significant increase in allowable uses and density. Development trends in the immediate area suggest this could occur within a very short timeframe. However, the property is owned by Snohomish County and is part of a structured transaction with a national homebuilder to develop a park and ride on the subject while also building a townhouse development across the street from the property. Given the municipal ownership and the easement encumbrance, it is not surprising that there are no plans at present to change the subject's zoning although the location in the RUTA reportedly allows this to be done once per year as an amendment to the Comprehensive Plan.

Immediately to the north is Planned Community Business zoning but the site is being improved predominantly with residential units. The nearest tract of residentially upzoned land is 1,400 feet to the west and is zoned R-9600. Light Industrial and Business Park uses are located farther to the northwest and separated by other residential and commercial zones. Given market trends and the geographical layout of abutting zones, a rezone to moderate to high density residential development appears reasonable.

For purposes of this analysis, we assume that the property would most likely receive an upzone to an urban zone, most probably moderate to high density residential, were it available to developers in the market and not encumbered with the current development agreements. For reference, the temporary easement gives the Grantee (Pacific Ridge-DRH, LLC) the right, privilege and easement for ingress and egress for a work area to construct the Cathcart Crossing Park & Ride. The easement commenced July 1, 2022, and terminates on December 31, 2025.

### Financially Feasible and Maximally Productive:

As a vacant site, financial feasibility is generally inferred from the price paid for sites with similar development potential that are vacant or could cost effectively be made vacant. A review of development patterns in the surrounding area can indicate the most likely uses a property would be put toward and presumes financial feasibility of these uses. In the subject's immediate area are low, moderate and high density residential developments. Since the subject is currently zoned low density residential with potential for upzoning to either moderate or high density, all three scenarios are considered here.

As rural residential land, with three potential units, we estimate the value of the site at \$382,000 per unit, or \$1,146,000 total.

For the higher density scenarios, the market would look to the number of residential units that could be developed and what densities offered the highest returns. We researched plat activity in the subject's wider market area and found these transactions that have occurred over the past several years.

Project Name	Location	Sale Date	Sale Price	Lots	Price per Lot	Land Size (SF)	Density		Typical Lot Size	Finished Home Pricing
							(Units/Acre)			
Brasswood	Lowell Larimer Road @ 81st Ave SE	5/28/2020	\$3,200,000	60	\$53,333	12.62	4.8		3,600 to 4,400 SF	\$1.04 to \$1.39 million
Village at Whiskey Ridge	Marysville - 85th Dr & 35th Pl	12/15/2020	\$1,550,000	51	\$30,392	4.76	10.7		1,700 to 2,500 SF	\$560k to \$625k
Woodberry Hills East	NE City of Snohomish	8/10/2021	\$6,100,000	94	\$64,894	22.25	4.2		2,800 to 3,600 SF	\$690k to \$820k
Juniper	NE of Mill Creek	11/18/2021	\$1,955,000	21	\$93,095	3.73	5.6		1,100 to 1,900 SF	\$745k to \$830k
Grayson Square	S Everett, N of Silver Lake	2/1/2022	\$7,400,000	85	\$87,059	4.92	17.3		950 to 1,500 SF	\$550k to \$700k
21 Degrees	Marysville - Soper Hill Road @ 85th Dr NE	4/8/2022	\$1,100,000	49	\$22,449	3.99	12.3		TH Condominium	\$530k to \$605k
Edgewood Estates	S Everett, SE/close to Silver Lake	4/28/2022	\$2,500,000	18	\$138,889	2.22	8.1		3,200 to 4,000 SF	\$870k to \$1.25 million
Alpine Estates	SE Everett, E of Silver Lake, close to valley	5/18/2022	\$13,000,000	96	\$135,417	40.00	2.4		3,400 to 4,200 SF	\$830k to \$1.20 million
Cathcart Crossing	Across street	7/13/2022	\$8,546,000	286	\$29,881	29.62	9.7		1,200 to 1,900 SF	\$650k to \$750k
Riverstone Estates	E of Cathcart Crossing	12/13/2022	\$4,200,000	26	\$161,538	88.05	0.3		1 acre	\$1.8 to \$2.0 million
Dalston Grove	E of Mill Creek	2/1/2023	\$1,500,000	7	\$214,286	1.00	7.0		3,500 to 5,500 SF	\$1.26 to \$1.46 million
=townhouse projects										

Due to the extensive wetlands on the subject, the achievable density would be lower than almost all of these except for Riverstone Estates, which is a rural cluster toward the low end of the range shown by most of these comparables. We look instead to the estimated developable area of 126,000 square feet that lays outside of the wetlands and buffers and consider 15 percent for internal streets (and assume that most open space requirements can be met with the extensive undisturbed sensitive areas) and an average lot size of 1,800 square feet for a high-density scenario and 4,200 square feet for a moderate density scenario. The density calculations are shown below:

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<b>Usable Area Assumptions</b>			
Total Usable Area		126,000 SF	
Less Roads @	15%	-18,900 SF	
<b>Net Developable Area</b>		<b>107,100 SF</b>	
<b>Density Assumptions (SF/Unit)</b>			
High Density		1,800 SF =	59 lots
Moderate Density		4,200 SF =	25 lots

To determine productivity, a price per lot is estimated for each of the scenarios. Most of these sales are older and reflect terms that predate the dates of sale, typically by up to 2 years. The market has likely improved for sales that occurred after 2022 but sales that predate this likely saw substantial appreciation before prices peaked.

For the high density scenario, the comparables show a very wide range with three comparable sales indicating a price of about \$30,000 per unit and one indicating a price of close to \$90,000 per unit. The Cathcart Crossing sale took a long time to come together, included an estimated \$1.5 million for the construction of the park and ride and a commercial component that is not included in the density. For purposes of analysis, we estimate a value of \$60,000 per unit, emphasizing the subject's closer-in location.

For the moderate density scenario, a value of \$145,000 per potential unit appears to be a conservative estimate that is well-supported by the data.

Both scenarios are discounted for a period of 3 years at a rate of 9 percent to reflect the anticipated time that it would take to achieve a rezone of the properties and the associated risk, opportunity and holding costs. Further discussion of the basis for the selection of this rate is included later in the appraisal.

The productivity calculations are shown below:

Scenario	Unit	Price/ Unit	Prospective	Discounted Present
	Count		Value	Value
High Density	59	\$60,000	\$3,540,000	\$2,733,530
Moderate Density	25	\$145,000	\$3,625,000	\$2,799,165

The two scenarios appear nearly equally productive and determining the most productive use would require a more extensive market analysis and detailed development costs. Either scenario, even after discounting for potentially protracted holding periods at speculative rates, indicates a more productive option than the indicated value as rural residential land that could be developed with three units. Therefore, the maximally productive use is to hold for future development of residential units when a higher density could be achieved.

#### Conclusion of the Highest and Best Use As Vacant:

There are no other uses evident that would be more productive than subdividing into multiple lots for moderate density residential development. This is concluded as the highest and best use.

#### Highest and Best Use As Improved:

The property is effectively vacant and the proposed and existing improvements will not be impacted by the proposed acquisition so a Highest and Best Use analysis As Improved is not developed for this valuation assignment.

### Value Analysis:

#### Valuation Procedure Summary:

The concluded highest and best use of the property is to hold for future residential development at higher densities. In order to develop a value, we have valued the property both under a rural residential scenario and under a moderate density residential scenario. Then, after consideration of the indications from each of these scenarios, we reconcile those indications alongside the data discussed in the highest and best use section to determine a value for the subject property as land that would be accommodative to residential development.

Only the sales comparison approach is developed in the appraisal and there was adequate data available to develop a reliable indication of value for the subject property by this approach. As a vacant property, the Cost Approach is not applicable and is not developed. As vacant land that is free from any known leaseholds and/or is in a market where ground leases are not common for this

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property type, the typical buyer or seller would not place any emphasis on the Income Approach this approach is therefore not developed.

### Sales Comparison Approach – Rural Residential Land:

#### Scope of Data Search:

We focused our search single-family rural residential land sales with similar development potential that transacted in the last 3 years. An emphasis was placed on large lots with limited developable footprints due to environmental or topographical constraints. Initially, 10 transactions were selected. After preliminary review, 4 sales were concluded to best demonstrate the market for the subject property.

#### General Discussion:

Applicable units of comparison for land sales can include price per square foot, price per lot or price per acre. The subject is valued using a price per lot unit of comparison, since this is the relevant unit of comparison between the subject and the comparable sales. The minimum lot size under the R-5 zone is one unit per five acres which equals 3 potential lots (15.55 acres / 5 acres). This results in an average gross lot size of 225,786 square feet, or 5.18 acres, prior to any consideration of potential clustering.

The sales comparison approach compares the subject property's characteristics with those of comparable properties that have sold. The most comparable sales are selected, and each is comparatively adjusted to the subject for various transactional and physical characteristics. After an adjusted unit value is derived from the sales, each is weighted in the final analysis to provide an opinion of the best- supported value conclusion for the subject. Once the unit value of the subject is derived, it is then applied to the number of potential lots at the subject to arrive at an overall value indication for the site. This value is then converted to a price per square foot which can then be applied to provide a conclusion of value for the proposed acquisition area.

A summary of each sale appears in the Market Data section in the Addenda. Therefore, most of the discussion in this section pertains to the adjustments made.

The chart below summarizes the sales most indicative of the market in which the subject would compete:

#### Comparative Analysis: Rural Residential Land Sales:

Sale	Address	Date of Sale	Sale Price	Size (Lots)	Size (SF)	Zoning	Price/Lot
1	2923 132nd Ave SE. Snohomish, WA 98290, WA (Snohomish Co.)	4/10/2024	\$450,000	1	229,126	Rural 5	\$450,000.00
2	22500 NE Old Wodenville Duvall Rd. Woodinville, WA 98077, WA (King Co.)	7/12/2023	\$310,000	1	129,852	RA-5P, King Co.	\$310,000.00
3	14308 127th Ave SE. Snohomish, WA 98290, WA (Snohomish Co.)	3/15/2022	\$425,000	1	207,781	Rural 5	\$425,000.00
4	14306 214th Place SE. Snohomish, WA 98296, WA (Snohomish Co.)	2/25/2022	\$330,000	1	103,237	Rural 5	\$330,000.00
Subject	14806 SR 9 SE, Snohomish, WA 98290, WA (Snohomish Co.)	8/26/24 (date of value)	NA	3	677,358	Rural 5	N/Ap.

The comparable sales summarized above are analyzed and compared with the subject to identify differences that impact value. Several elements of comparison are considered in our adjustment process, including property rights, financing terms, conditions of sale, expenditures after purchase, market conditions and other pertinent physical, legal and economic characteristics.

#### Description of Adjustments & Elements of Comparison:

The first category of adjustments considered are transactional adjustments, including property rights conveyed, financing terms, conditions of sale, and expenditures immediately after the sale. The comparable sales used for comparison with the subject conveyed fee simple interest, and the terms were all cash to the seller. Each of the sales appeared to have knowledgeable parties and consisted of arms-length transactions. Therefore, we applied no adjustments for transactional characteristics.

#### Market Condition Adjustments:

Our research revealed that sales of large unimproved residential lots do not occur in large enough volumes to provide any evidence of a market trend; therefore, we have relied on sales of single family homes on large lots in Snohomish county for support of any



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market conditions adjustment. We conducted research and interviewed brokers during the verification process and determined that Snohomish County, like most markets in the Puget Sound Region, experienced strong appreciation in real estate values throughout most of the past decade, particularly in the wake of the Covid pandemic. This was driven primarily by work-from-home arrangements and historically low interest rates. As interest rates began to rise in May 2022, this trend leveled off and reversed. In May 2023 the market began appreciating again surpassing pre-pandemic levels into 2024. Sales 1 and 2 are adjusted up for market conditions. Due to the transaction dates of comparable sales 3 and 4, no market conditions adjustment is necessary.

## Qualitative Analysis:

Qualitative analysis recognizes the inefficiencies of real estate markets and the difficulty in expressing adjustments with mathematical precision. The sales comparison approach is not formulaic and does not always lend itself to detailed mathematical precision. It is often based as much on judgement and experience as on quantitative analysis. There are differences between the comparable sales and the subject which are discussed and adjusted below. To account for these differences in property characteristics, adjustments are derived from matched pair analysis. As it is not always feasible to find paired sales that isolate with complete accuracy only the characteristic being adjusted for, we relied on the matched pair analysis to guide the magnitude of our qualitative adjustments rather than extracting a definitive quantitative amount. If the element of comparison is superior, it requires a downward adjustment. Similarly, if an element of comparison is inferior, it requires an upward adjustment. The sales are described in detail in the Market Data Sheets provided in the Addenda to this report.

## Comparable Land Sale No. 1

This is an April 2024 sale of a 5.26 acre parcel that sold for \$450,000. It is adjusted down for the superior location and the lack of critical areas. After adjustments, this sale supports a value of \$380,400.

## Comparable Land Sale No. 2

This is a July 2023 sale of a 2.98-acre parcel that sold for \$310,000. It is adjusted upwards for the sloping topography, and smaller than average lot size and down for its superior location. After adjustments, this comparable sale indicates a value of \$380,500

## Comparable Land Sale No. 3

This is an April 2022 of a 4.77-acre lot that sold for \$425,000. It is adjusted down for the superior location. It is physically similar to the subject, so no further adjustments are necessary. After adjustments, this comparable sale indicates a value of \$382,500.

## Comparable Land Sale No. 4

This is a March 2022 sale of a 2.37-acre lot that sold for \$330,000. It is adjusted up for steep slopes relative to the subject and smaller than average lot size. It is adjusted downward for the superior view amenities. After adjustments, this sale this comparable sale indicates a value of \$379,500.

## Sale Adjustment Grid:

	Subject	Comparable Land Sale 1	Adj.	Comparable Land Sale 2	Adj.	Comparable Land Sale 3	Adj.	Comparable Land Sale 4	Adj.
Date of Sale	8/26/24 (date of value)	4/3/2024		7/12/2023		3/15/2022		2/25/2022	
Sale Price	NA	\$450,000		\$310,000		\$425,000		\$330,000	
Size (SF)	677,358	229,126		129,852		207,781		103,237	
Market Conditions Adjustment	N/Ap.	5 months	+	14 months	+++	2.5 years		2.5 years	
Trans & Mkt Adj Sale Price	N/Ap.	\$475,521		\$362,360		\$425,000		\$330,000	
Trans & Mkt Adj Price/SF	N/Ap.	\$2.08		\$2.79		\$2.05		\$3.20	
Location	Snohomish, WA 98290 (Snohomish Co.)	2923 132nd Ave SE. Snohomish, WA 98290 Snohomish County	--	22500 NE Old Wodenville Duvall Rd. Woodinville, WA 98077 King County	--	14308 127th Ave SE. Snohomish, WA 98290 Snohomish County	--	14306 214th Place SE. Snohomish, WA 98290 Snohomish County	
Zoning	Rural 5	Rural 5		RA-5P, King Co.		Rural 5		Rural 5	
Size - Lot Count	3	1		1		1		1	
Size - Average Lot Size	225,786	229,126		129,852	++	207,781		103,237	+++
View	None	Similar		Similar		Similar		Superior	--
Topography	Level	Rolling Slight Slope		Slope	+	Slight Slope		Steep Slope	++
Shape	Rectangular	Mostly Rectangular		Mostly Rectangular		Rectangular		Rectangular	
Other Cost Adjustments	Lot Count	Inferior		Inferior		Inferior		Inferior	
Access	Direct	Similar		Similar		Similar		Similar	
Sensitive Areas	Wetlands	None	--	Streams NWI		Stream NWI		Stream NWI	
Existing Improvements	None	None		None		0		0	
Septic Ready	Y	Similar		Similar		Similar		Similar	
Utilities	W E	Similar		Similar		Similar		Similar	
Net Other Adjustments			----		+		--		+++
Adj Price Per SF		\$1.66		\$2.93		\$1.84		\$3.68	
Adj Price Per Lot		\$380,400		\$380,500		\$382,500		\$379,500	

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**Rural Residential Value Analysis and Conclusion:**

The sales indicate an unadjusted range from \$310,000 to \$450,000 per lot. After adjustments, the sales indicate a tight range of values, between about \$379,500 and \$382,500 per lot. All of the sales required adjusting; however, Sales 2 and 3 required the least overall adjustments and are given the most weight with additional support from Sale 1 and secondary support from Sale 4. On balance, we conclude a well-supported value for the subject property of \$382,000 per potential lot.

**Lot Value \$382,000 x 3 Potential Lots = \$1,146,000**

No deductions are applied for subdivision of the property because it is already three tax parcels.

**Sales Comparison Approach – Moderate Density Residential Development Land:**

As previously discussed, the subject parcel is zoned Rural 5 acre lot minimum with the Rural/Urban Transition Area overlay. Development patterns in the area are at a much higher density and it is reasonable to assume a buyer on the open market would purchase the property with the intention of pursuing a higher density through a zoning change. Our highest and best use analysis indicated Moderate and High-density zoning produced similar productivity for the land. For this assignment, we will be valuing the subject under the moderate density scenario.

**Scope of Data Search:**

We focused our search on recent land sales with similar development potential where the highest and best use was to subdivide the land for development with medium density residential housing. As with the rural residential sales search, an emphasis was placed on lots with limited developable footprints due to environmental or topographical constraints. We researched Northwest Multiple Listing Service, Commercial Brokers Association Multiple Listing Service and Costar for sales and listings of properties with these characteristics. Initially, 8 transactions were selected. After preliminary review and analysis, 3 sales were selected that best demonstrated the market for the subject property.

**General Discussion:**

The subject is valued using a price per lot unit of comparison, since this is the most relevant unit of comparison, and the one used most frequently by market participants. Based on an average lot size of 4,200 sf, we estimate that the subject could support 25 residential lots on the estimated 126,000 sf buildable portion of the property, after deducting an estimated 15 percent for internal roads. This lot size is on the large end of the range for the sales used in the highest and best use analysis and on the low end of the range for the comparable sales analyzed.

The sales comparison approach compares the subject property's characteristics with those of comparable properties that have sold. The most comparable sales are selected, and each is comparatively adjusted to the subject for various transactional and physical characteristics. After an adjusted unit value is developed for the comparable sales, each is weighted in the final analysis to arrive at a value indication for the subject. That unit value is then applied to the number of potential lots at the subject to arrive at an overall value indication for the site.

A summary of each sale appears in the Market Data section in the Addenda. Therefore, most of the discussion in this section pertains to the adjustments made.

The chart below summarizes the sales most indicative of the market in which the subject would compete:

**Sales Comparison Approach – Moderate Density Residential Land:**

Sale	Address	Date of Sale	Sale Price	Size (SF Buildable)	Size - Average Lot Size	Zoning	Price/Lot
1	1705 99th Ave SE, Lake Stevens, WA 98258 (Snohomish Co.)	5/19/2023	\$2,100,000	130,000	7,222	R7200	\$116,308
2	12200 Machias Cutoff Road, Lake Stevens, WA, 98258 (Snohomish Co.)	6/2/2023	\$5,760,000	185,565	5,155	R8-12	\$160,000
3	5811 87th Ave NE Marysville, WA 98270 (Snohomish Co.)	12/28/2023	\$1,380,000	50,500	4,208	R6.5	\$115,000
Subject	14806 SR 9 SE, Snohomish, WA 98290 (Snohomish Co.)	8/26/24 (date of value)	NA	107,000	4,280	Rural 5	N/Ap.

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## Description of Adjustments &amp; Elements of Comparison:

The first category of adjustments considered are transactional adjustments, including property rights conveyed, financing terms, conditions of sale, and expenditures immediately after the sale. The comparable sales used for comparison with the subject conveyed fee simple interest, and the terms were all cash to the seller. Sales 2 and 3 included preliminary plat plans so a downward adjustment was made for expenditures after the sale.

## Market Condition Adjustments:

All of the sales are within the last 18 months during a period of cooling interest rates and stabilizing construction and materials cost. This has led to strong appreciation in the market therefore all of the sales have an upward adjustment for market conditions.

## Comparable Land Sale No. 1

This is the May 2023 sale of a 4.26 acre parcel that sold for \$2,100,000. The parcel has not been platted but, based on the density allowable by zoning it is estimated that they could achieve 18 residential lots with an average lot size of 7,200 sf. It is adjusted downward for the superior lot size and upward for the smaller number of buildable lots because our research shows that some builders will pay a premium for a larger number of lots. After adjustments this comparable sale indicates a value of \$148,900 per residential lot.

## Comparable Land Sale No. 2

This is the June 2023 sale of an 11.22 acre parcel that sold for \$5,760,000. It is adjusted down for the superior lot count. An upward adjustment is made for the topography and irregular shape. After adjustments this comparable sale indicates a lot value of \$149,700 per residential lot.

## Comparable Land Sale No. 3

This 4.65 acre parcel went pending in one day after being listed for \$1,380,000. It is adjusted up for the smaller lot count and inferior location. After adjustments, this comparable sale indicates a value of \$149,800 per residential lot.

	Subject	Comparable Land Sale 1	Adj.	Comparable Land Sale 2	Adj.	Comparable Land Sale 3	Adj.
Date of Sale	8/26/24 (date of value)	5/19/2023		6/2/2023		12/28/2023	
Sale Price	NA	\$2,100,000		\$5,760,000		\$1,380,000	
Size (Lots)	25	18		36		12	
Size (SF Buildable)	107,000	130,000		185,565		50,500	
Price/Lot	N/Ap.	\$116,308		\$160,000		\$115,000	
Market Conditions Adjustment	N/Ap.	15 months	++++	15 months	++++	8 months	+++
Expenditures After Sale/Permits entitlements	0	\$0		\$0		\$0	
Trans & Mkt Adj Sale Price	N/Ap.	\$2,635,068		\$7,183,430		\$1,562,992	
Trans & Mkt Adj Price/Lot	N/Ap.	\$145,942		\$199,540		\$130,249	
Location	Snohomish, WA 98290 (Snohomish Co.)	Lake Stevens, WA 98258 (Snohomish Co.)		Lake Stevens, WA 98258 (Snohomish Co.)		Marysville, WA 98270 (Snohomish Co.)	+++
Size - Lot Count	25	18	+	36	---	12	++
Size - Average Lot Size	4,280	7,222	-	5,155		4,208	
Topography	Level	Level		Sloped	+	Level	
Shape	Rectangular	Mostly Rectangular		Irregular	+	Rectangular	
Permits & Entitlements		None		Engineering approval	----	Preliminary Plat Plans	--
Net Other Adjustments			+		-----		+++
Adj Price Per SF		\$0.00		\$0.00		\$0.00	
Adj Price Per Lot		\$148,900		\$149,700		\$149,800	

## Moderate Density Value Analysis and Conclusion:

The sales indicate an unadjusted range from \$115,000 to \$160,000 per residential lot. After adjusting for physical and transactional characteristics, the range narrows considerably from \$148,900 to \$149,800. Sale 3 required the most adjustments for physical characteristics, and it is also a pending sale and was therefore given secondary consideration. Sale 1 had the fewest adjustments and was given primary emphasis. Sale 2 required transactional adjustments and adjustments for physical characteristics, however it was the closest to the subject in size and was given equal primary emphasis.

On balance, we conclude a well-supported value for the subject property is \$120,000 per potential residential lot.

**Lot Value \$149,500 x 25 potential residential lots = \$3,625,000**

This lot value is based on the property being readily available for development at a higher density. Due to the time-value of money, a holding period and discount rate are applied to arrive at a present value.



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For purposes of this analysis, we project a holding period of 3 years before the property could achieve a density increase commensurate with market expectations. This period appears reasonable given the fact that the property is in the Rural Urban Transition Area and could be considered for increased density by applying for an amendment to the Comprehensive Plan. Applications for amendments are accepted on an annual basis up until the last business day in October.

To account for this period, it is appropriate to apply a discount to the indicated value. RealtyRates reports discount rates for smaller scale detached single family residential projects that range from about 14 to 42 percent, with an average of about 29 percent but this rate includes the risk associated with infrastructure investments, debt service and profit. For suburban townhouse projects, the rates are lower, ranging from about 11 to 28 percent with an average of about 20 percent. This reflects typically lower infrastructure investment and lower risk than detached single family residential development, but other factors would be more or less consistent. A simple hold of the property would be much lower risk than either of these scenarios. To account for the opportunity cost of invested capital during this time and the relatively low risk, we have selected a rate of 9 percent. This rate considers a typical development loan of the prime lending rate (currently 7.75%) plus 2 points but also considers future anticipated rate cuts to occur between now and when the upzone would occur.

Discount Rate	Holding Period	Prospective Value	Discounted Present Value
9%	3 Years	\$3,625,000	\$2,799,165

## Correlation and Conclusion

Under the present R-5 zoning, the property could be developed with 3 single family residences. Under this scenario, a value of \$382,000 per lot is reasonable and well-supported by the data. This equates to a value of \$1,146,00. This value represents the low end of the range, and it is unlikely that a typical market participant would pursue this type of development given development patterns in the immediate area.

Under the presumption that the highest and best use is a moderate density residential development, the property value is \$2,800,000 (Rounded) when discounted to net present value with a holding period of 3 years at a discount rate of 9%. While these numbers are somewhat speculative, the market activity in the immediate area suggests this is the more probable use for the property if it were offered for sale on the open market.

Weighing the value of the property in its current state as low density residential land with the potential value to hold until it could be developed at a higher density, we conclude that a value toward the high end of the range of \$2,400,000 is well-supported based on the highest and best use analysis and the data from sales of moderate density development land. This equates to \$2.66/sf which is the value the acquisition will be based on.

$$\text{\$2,400,000/677,358} = \text{\$3.54sf}$$

## Value of the Fee Acquisition Area(s)

$$14,705 \text{ Square Feet} \times \$3.54/\text{sf} = \$52,100 \text{ (Rounded)}$$

## Limited Access Value Estimate:

WSDOT will be acquiring limited access on the easternmost 233' of road frontage along the newly created 148<sup>th</sup> Street SE, as well as the entire frontage along SR 9 on the eastern border of the subject property. In the after condition, sufficient frontage will remain along 148<sup>th</sup> for access to the subject property; therefore, there is no evidence to support damages as a result of this access modification.

## Addenda

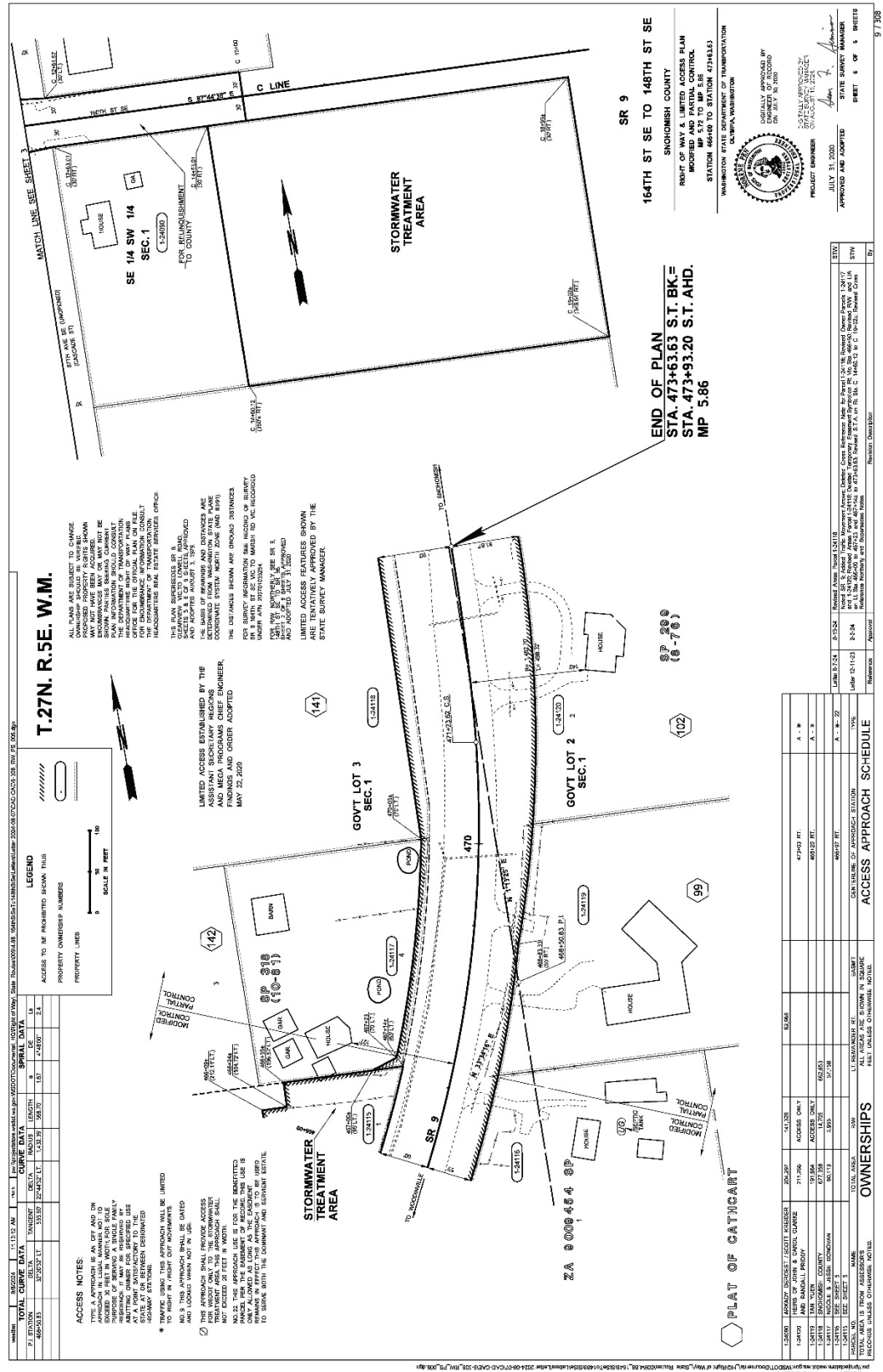


Limited Access  

**Fee Acquisition \$52,100 + Limited Access \$0 = \$52,100**



## Addenda

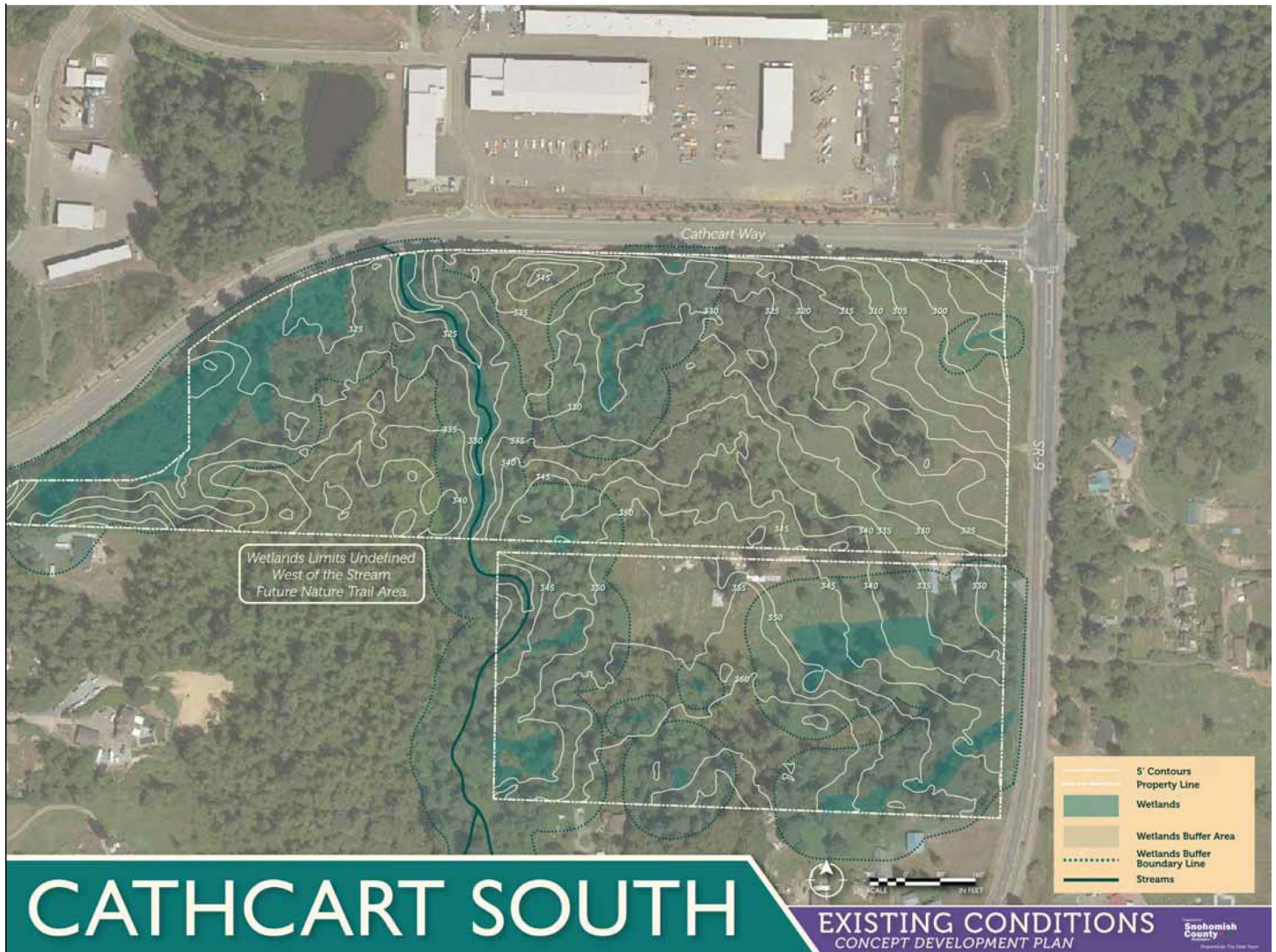




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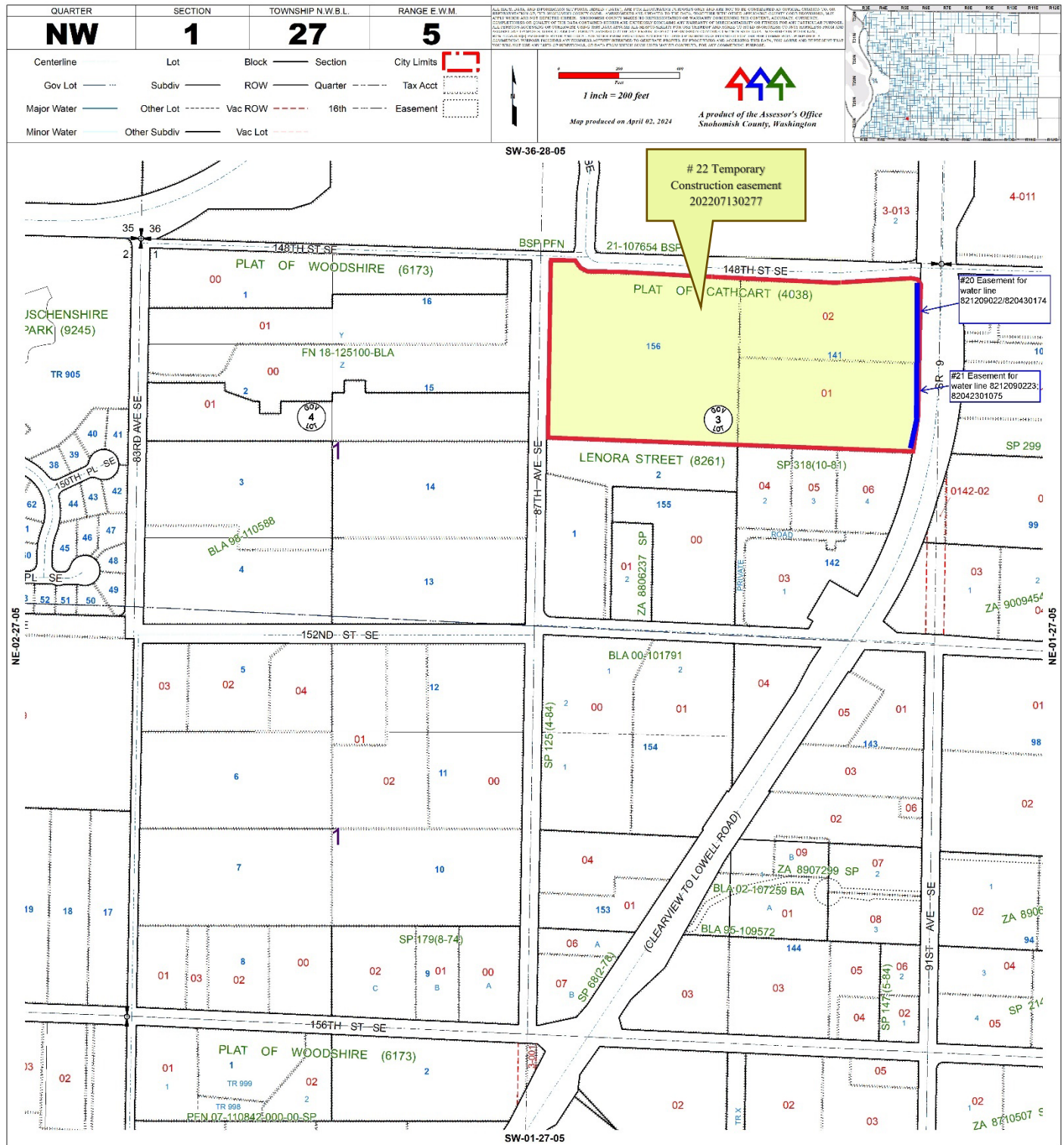
Additional Exhibits

Wetlands Exhibit



## Addenda

## Easement Map



Addenda

Report of Contact with Owner

Person Contacted: Carl Jorgensen  
Address: 14806 SR 9 Snohomish  
Date of Contact: 10/17/2023  
Relationship to Owner: Property Officer for Snohomish County  
Date of Joint Inspection: 10/25/2023  
Phone: 425 388-3400

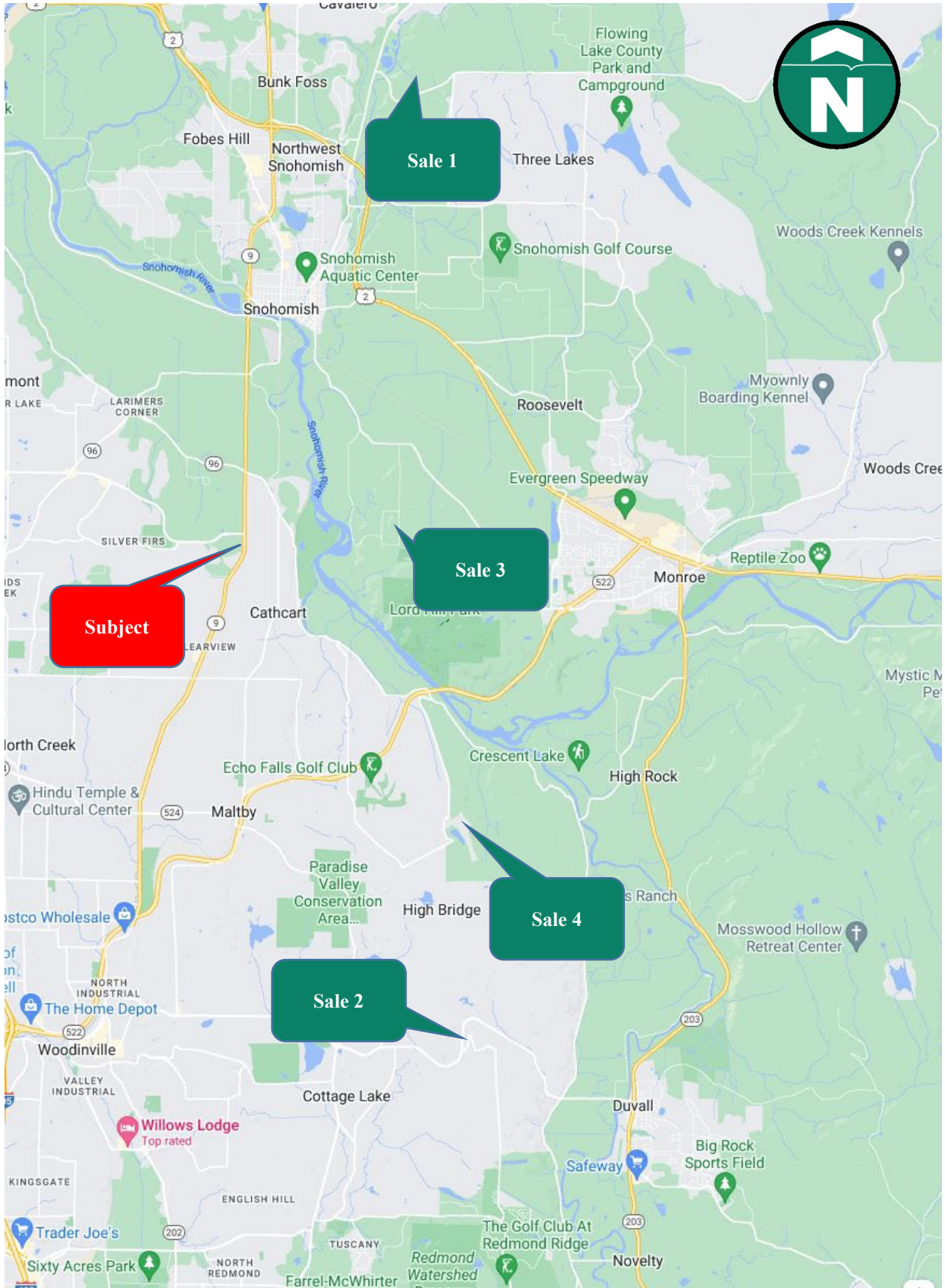
Met with Property Officer for Snohomish County, Carl Jorgensen, in attendance was John Lutes, Staff Appraiser for WSDOT and Sherri Clark, Consultant Acquisition Agent for WSDOT. Confirmed with Carl that a portion of the subject property is being improved with a park and ride by Pacific Ridge-DRH under a temporary construction easement, while Snohomish County will still retain ownership of the property. Reviewed the right of way plans and outlined the acquisition area and limited access. Explained the appraisal process and projected timeline. Carl did not have any questions.



Addenda

Market Data Package:

Comparable Land Sales Map



## Addenda

## Comparable Sale #1: Market Data Summary

1. Address or Location: 2923 132<sup>nd</sup> Ave SE, Snohomish, WA 98290

2. Sale Sketch & Photo are on the Following Page.

- |                                     |   |
|-------------------------------------|---|
| 3. a. Access: Direct                | j. Sale Date: 4/3/2024                        |
| b. Use at Sale: Vacant/Residential  | k. Price: \$450,000                           |
| c. H & B Use: Residential           | l. Seller: Howard Meecham & Victoria Henson   |
| d. Zoning: R5 Snohomish County      | m. Buyer: Shane & Cristy Green                |
| e. Dimensions: See attached exhibit | n. Confirmed With: Robin Price, Listing Agent |
| f. Area: 229,126 sf or 5.26 ac      | Phone/Email: 360 826-2388                     |
| g. Instrument Type: Warranty Deed   | o. Confirmed by: John Lutes                   |
| h. Terms: Cash Equivalent           | Date Confirmed: 8/29/2024                     |
| i. AF#: 202404057017                | p. Date Inspected: 8/26/2024                  |

4. Legal Description or Tax Parcel #: 29062800300300

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: This mostly rectangular parcel is in the Machias Ridge neighborhood of Snohomish county. It is at the grade of 132<sup>nd</sup> Ave SE and slopes gradually up to the west. Property is heavily wooded with a driveway roughed in. Electricity and water are available in the street.

b. Confirmation Data and Comments: Property listed for \$400,000 in February 2024 and went pending in 10 days with a final sale price of \$450,000. Broker said there were multiple offers due to the fact it is a very desirable area and large undeveloped lots do not come up for sale often. Buyer plans to construct a single family home. This was an arm's length fair market transaction with no concessions.

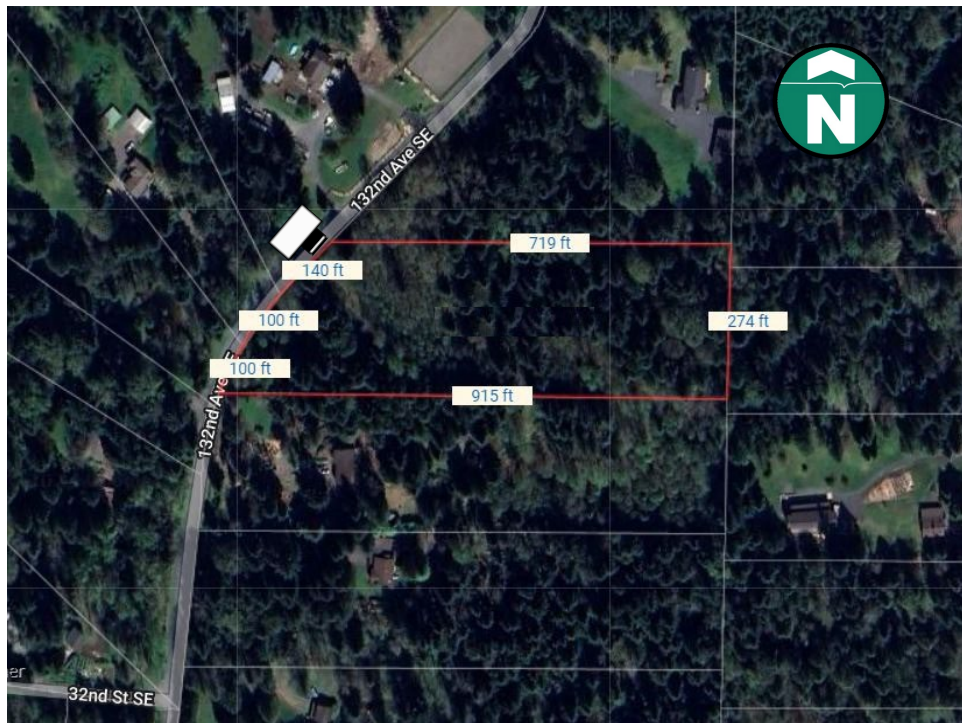
## 6. Allocation:

Item	Contribution Value		Market Unit
Land: 229,126 sf or 5.26 ac	\$		450,000/Lot
	\$		
Buildings:	\$		
	\$		
Other (Site, Yard, etc.):	\$		
	\$		
<b>Total Sale Price</b>	<b>\$</b>	<b>450,000</b>	



Addenda

Comparable Sale # 1: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 8/26/2024

Photographer: John Lutes



## Addenda

## Comparable Sale #2: Market Data Summary

1. Address or Location: 22500 NE Old Woodinville Duvall Rd. Woodinville, WA 98077

2. Sale Sketch & Photo are on the Following Page.

- |  |  |
|--|--|
| 3. a. Access: Direct                           | j. Sale Date: 7/7/2023                           |
| b. Use at Sale: Vacant/Residential             | k. Price: \$310,000                              |
| c. H & B Use: Residential                      | l. Seller: Monique & Louis August                |
| d. Zoning: RA-5P, Rural 1 du/5 acres, King Co. | m. Buyer: Paige Price                            |
| e. Dimensions: See attached exhibit            | n. Confirmed With: Rich Whitehill, Listing Agent |
| f. Area: 129,852 sf or 2.9810 ac               | Phone/Email: 425-260-4318                        |
| g. Instrument Type: Warranty Deed              | o. Confirmed by: John Lutes                      |
| h. Terms: Cash Equivalent                      | Date Confirmed: 10/18/2023                       |
| i. Ex#: 3245296                                | p. Date Inspected: 10/19/2023                    |

4. Legal Description or Tax Parcel #: 092606-9003, King County

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: Mostly rectangular parcel located between NE Woodinville Duvall RD and NE Old Woodinville Duvall Rd. (NE170th Place), with frontage on both streets. It has a sloping topography and stream impacts, which limit the buildable area. There is public water and electricity available; however, a septic system is required for development and was not included at the time of sale.

b. Confirmation Data and Comments: Broker confirmed property was most recently listed at \$325,000 and closed at a final sale price of \$310,000. The parcel has been on and off the market since 2020 and had gone pending a feasibility study multiple times but failed to close. The buildable footprint on the lot is approximately 17,000 square feet due to streams and setbacks. Buyer is in the process of getting permits to construct a single family home. This was an arm's length fair market transaction with no concessions.

## 6. Allocation:

Item	Contribution Value		Market Unit
Land: 129,852 sf or 2.98 ac	\$		\$ 310,000/Lot
	\$		
Buildings:	\$		\$
	\$		\$
Other (Site, Yard, etc.):	\$		\$
	\$		
<b>Total Sale Price</b>	<b>\$</b>	<b>310,000</b>	

Addenda

Comparable Sale # 2: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 10/19/2023

Photographer: John Lutes

## Addenda

## Comparable Sale #3: Market Data Summary

1. Address or Location: 14308 127<sup>th</sup> Ave SE, Snohomish, WA 98290

2. Sale Sketch & Photo are on the Following Page.

- |  |  |
|--|--|
| 3. a. Access: Direct                                 | j. Sale Date: 3/15/2022                            |
| b. Use at Sale: Vacant/Residential                   | k. Price: \$425,000                                |
| c. H & B Use: Residential                            | l. Seller: Victoria & Mark Smith                   |
| d. Zoning: R-5, Rural 1 du/5 acres, Snohomish County | m. Buyer: Anatoliy, Ivan & Vasiliy Tsaruk          |
| e. Dimensions: See attached exhibit                  | n. Confirmed With: Mark Worthington, Listing Agent |
| f. Area: 207,781 sf or 4.77 ac                       | Phone/Email: 425-985-7867                          |
| g. Instrument Type: Warranty Deed                    | o. Confirmed by: John Lutes                        |
| h. Terms: Cash Equivalent                            | Date Confirmed: 10/23/2023                         |
| i. AF#: 202203177056                                 | p. Date Inspected: 10/19/2023                      |

4. Legal Description or Tax Parcel #: 28063200403200, Snohomish County

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: This rectangular-shaped lot is located in the Lord Hill area of Snohomish County. It is heavily treed and slopes down to the northwest from the grade of 127<sup>th</sup> Ave SE. There is a stream across the western portion of the parcel. Water and electricity are available; however, sanitary sewer was not at the time of sale.

b. Confirmation Data and Comments: Property was listed in March of 2022 for \$325,000 and went pending in 2 days, closing at a sale price of \$425,000. Broker explained there were 4 or 5 interested parties and the property received several offers above \$400,000. The seller accepted an offer that was not the highest since there were no contingencies or requests to complete a feasibility study. This was an arm's-length fair market transaction with no concessions. A permit to construct a 4-bedroom single family house was applied for in April of 2023.

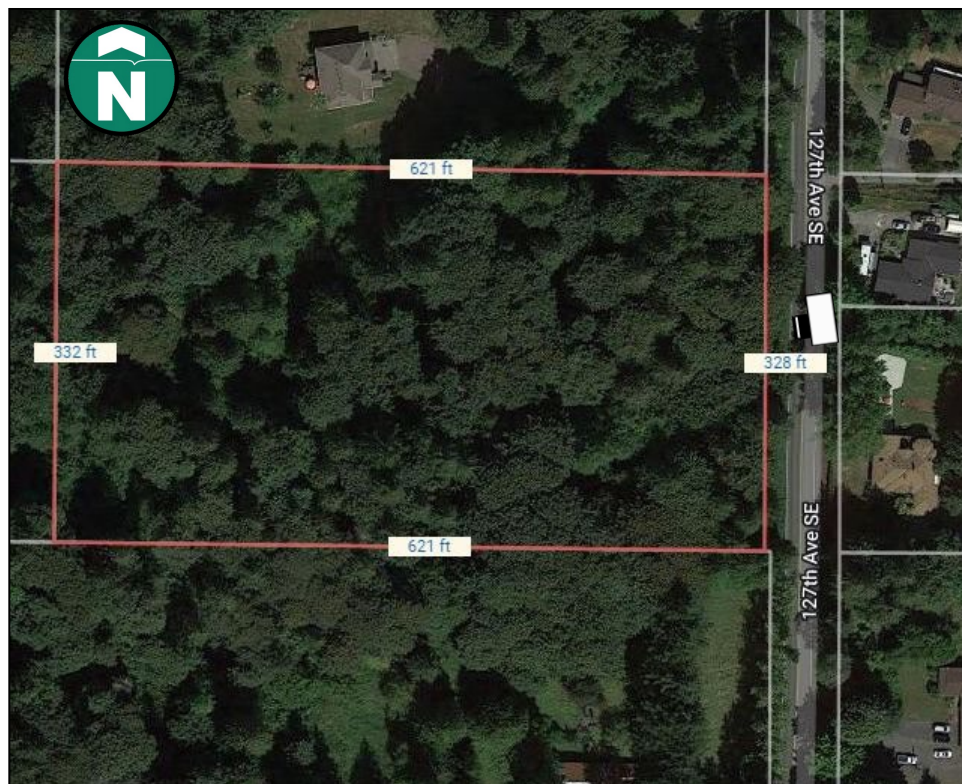
## 6. Allocation:

Item	Contribution Value		Market Unit
Land: 207,781 sf or 4.77 ac	\$		\$ 425,000/Lot
	\$		
Buildings:	\$		\$
	\$		\$
Other (Site, Yard, etc.):	\$		\$
	\$		
<b>Total Sale Price</b>	<b>\$</b>	<b>425,000</b>	



Addenda

Comparable Sale # 3: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 10/19/2023

Photographer: John Lutes

## Addenda

## Comparable Sale #4: Market Data Summary

1. Address or Location: 14306 214<sup>th</sup> Place SE. Snohomish, WA 98296

2. Sale Sketch & Photo are on the Following Page.

- |   |  |
|---|--|
| 3. a. Access: Access Easement                           | j. Sale Date: 2/25/2022                        |
| b. Use at Sale: Vacant/Residential                      | k. Price: \$330,000                            |
| c. H & B Use: Residential                               | l. Seller: David Skold                         |
| d. Zoning: R-5, Rural 1 du/5 acres,<br>Snohomish County | m. Buyer: Joyce & Robert Lee                   |
| e. Dimensions: See attached exhibit                     | n. Confirmed With: David Knight, Listing Agent |
| f. Area: 103,237 sf or 2.37 ac                          | Phone/Email: 253-631-9545                      |
| g. Instrument Type: Warranty Deed                       | o. Confirmed by: John Lutes                    |
| h. Terms: Cash Equivalent                               | Date Confirmed: 10/18/2023                     |
| i. AF#: 202203087076                                    | p. Date Inspected: 10/19/2023                  |

4. Legal Description or Tax Parcel #: 27062800101200, Snohomish County

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: This square shaped parcel is located in the Echo Lake community of Snohomish. It slopes steeply to the southeast with a level buildable area in the northwest corner. There is municipal water available from Cross Valley water district and electricity, but no sanitary sewer.

b. Confirmation Data and Comments: Broker confirmed property listed for \$339,950 and sold in about 6 months at a final price of \$330,000. This was an arm's length fair market transaction with no concessions. He stated the property had a limited buildable footprint due to the topography (which affected the final sales price); however, that was partially offset by the view potential. Permits for a single family home were issued in February 2023.

## 6. Allocation:

Item	Contribution Value		Market Unit
Land: 103,237 sf or 2.37 ac	\$		\$ 330,000/Lot
	\$		
Buildings:	\$		\$
	\$		\$
Other (Site, Yard, etc.):	\$		\$
	\$		
<b>Total Sale Price</b>	<b>\$</b>	<b>330,000</b>	



Addenda

Comparable Sale # 4: Sale Sketch & Photographs



Measurements Approximate

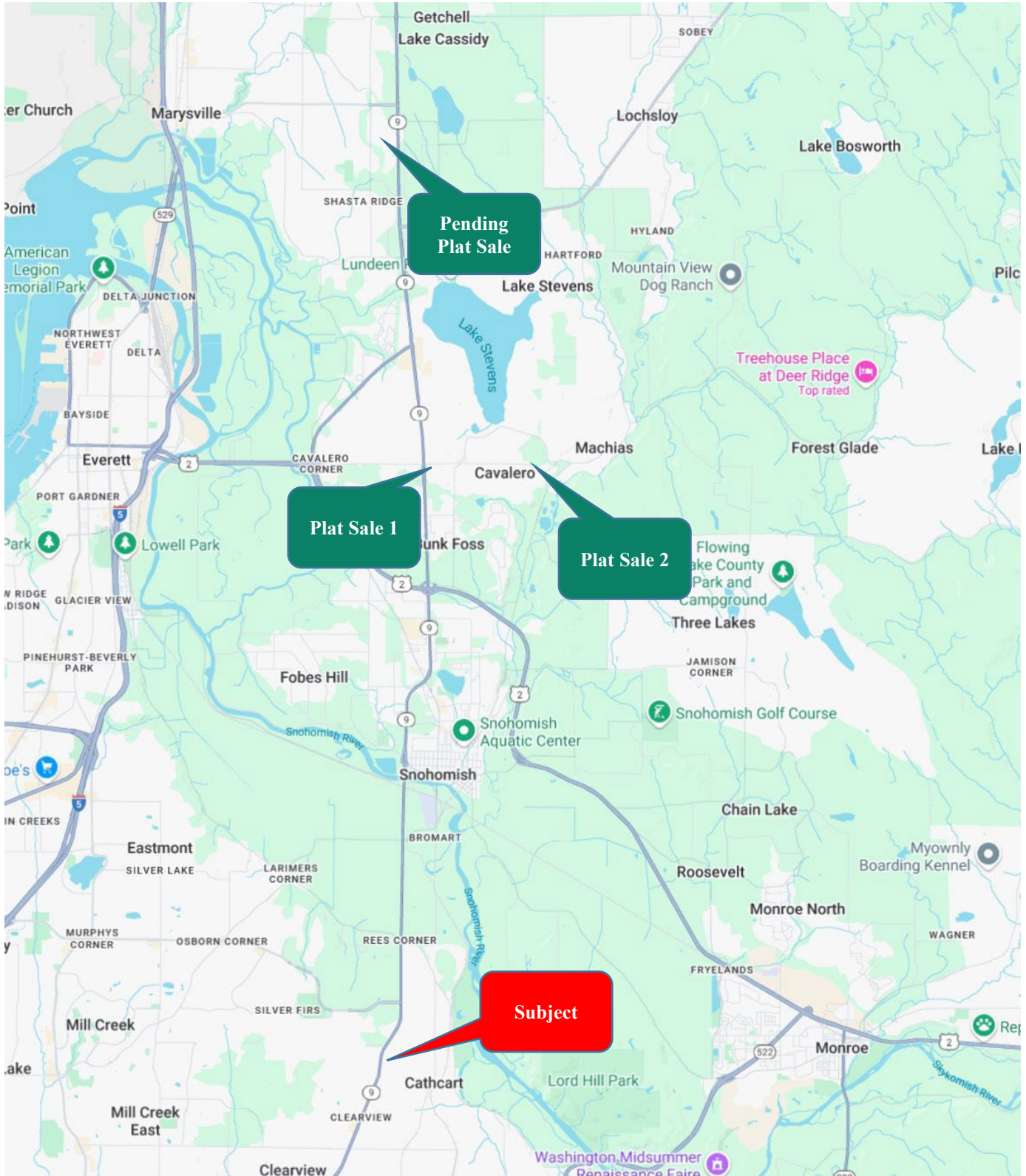
Date Taken: 10/19/2023

Photographer: John Lutes



Addenda

Comparable Plat Sales Map



## Addenda

## Comparable Plat Sale #1: Market Data Summary

1. Address or Location: 1705 99<sup>th</sup> Ave SE, Lake Stevens, WA 98258

2. Sale Sketch & Photo are on the Following Page.

- |                                     |  |
|-------------------------------------|--|
| 3. a. Access: Direct                | j. Sale Date: 5/08/2023                            |
| b. Use at Sale: Vacant/Residential  | k. Price: \$2,100,000                              |
| c. H & B Use: Residential           | l. Seller: Teresa Johnson, Kevin & Jerry Ripperger |
| d. Zoning: R-7200 Lake Stevens      | m. Buyer: KNA Holdings                             |
| e. Dimensions: See attached exhibit | n. Confirmed With: Morgan Jones, Buyers Agent      |
| f. Area: 185,565 sf or 4.26 ac      | Phone/Email: morgan.jones@mjgrouprealty.com        |
| g. Instrument Type: Warranty Deed   | o. Confirmed by: John Lutes                        |
| h. Terms: Cash Equivalent           | Date Confirmed: 10/8/2024                          |
| i. AF#: 202305097055                | p. Date Inspected: 9/26/2024                       |

4. Legal Description or Tax Parcel #: 290619-003-015-00, 290619-003-002-00

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: This flagged shaped property is 2 tax parcels totaling 4.26 acres. It is mostly level and slopes slightly down to the east from the grade of 99<sup>th</sup> Ave SE. At the time of sale there was a single family home that had no contributory value. There is public water and electricity at the site and sanitary sewer is available in the street.

b. Confirmation Data and Comments: Property listed for \$2,500,000 in February 2023 and went pending in 4 days. It closed in May after a feasibility study for a final sale price of \$2,100,000. Broker confirmed the buyer is assembling lots to subdivide for single family housing. There were no permits or plans on file, but we estimate that the property could be developed into 18 lots based on density allowed by zoning and scaled measurements. This was an arm's length cash equivalent transaction with no concessions.

## 6. Allocation:

Item	Contribution Value		Market Unit
18 Potential lots	\$	2,100,000	\$ 116,666/Lot
Land: 185,565 sf or 4.26 ac	\$		
Buildings: SF Residence	\$		
	\$		
Other (Site, Yard, etc.):	\$		
	\$		
<b>Total Sale Price</b>	<b>\$</b>	<b>2,100,000</b>	



Addenda

Comparable Plat Sale # 1: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 9/26/2024

Photographer: John Lutes



## Addenda

## Comparable Plat Sale #2: Market Data Summary

**1. Address or Location: 12200 Machias Cutoff Road, Lake Stevens, WA 98258**

**2. Sale Sketch & Photo are on the Following Page.**

- |  |                                 |
|--|---------------------------------|
| 3. a. Access: Direct                       | j. Sale Date: 5/30/2023         |
| b. Use at Sale: Vacant                     | k. Price: \$5,760,000           |
| c. H & B Use: Residential                  | l. Seller: JM1 Holdings LLC     |
| d. Zoning: R 8-12 DU per acre Lake Stevens | m. Buyer: KBHPNW LLC            |
| e. Dimensions: See attached exhibit        | n. Confirmed With: Confidential |
| f. Area: 488,743 sf or 11.22 ac            | Phone/Email:                    |
| g. Instrument Type: Bargain and Sale Deed  | o. Confirmed by: John Bryan     |
| h. Terms: Cash Equivalent                  | Date Confirmed: 10/30/2024      |
| i. AF#: 202306027004                       | p. Date Inspected: 9/26/2024    |

**4. Legal Description or Tax Parcel #: 29062000305400**

**5. Physical Characteristics** (confirmation information, property description at sale, changes since sale, etc.):

- a. Property Description: This irregular shaped parcel is 11.22 acres and slopes up from the grade of Machias Cutoff Road.
- b. Confirmation Data and Comments: Property sold in May of 2023 for \$5,760,000. It is currently being developed with a 36 unit single family home subdivision with an average lot size of 4,200 sf.

**6. Allocation:**

Item	Contribution Value		Market Unit	
36 lots	\$	5,760,000	\$	160,000/Lot
Land: 488,743 sf or 11.22	\$		\$	
Buildings:	\$		\$	
	\$		\$	
Other (Site, Yard, etc.):	\$		\$	
	\$			
<b>Total Sale Price</b>	<b>\$</b>	<b>5,760,000</b>		

Addenda

Comparable Plat Sale # 2: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 9/26/2024

Photographer: John Lutes

## Addenda

## Comparable Plat Sale #3: Market Data Summary

1. Address or Location: 5811 87<sup>th</sup> Ave NE, Marysville, WA 98270

2. Sale Sketch & Photo are on the Following Page.

- |  |  |
|--|--|
| <p>3. a. Access: Direct<br/>         b. Use at Sale: Vacant<br/>         c. H &amp; B Use: Residential<br/>         d. Zoning: R-6.5 Single Family High Density City of Marysville<br/>         e. Dimensions: See attached exhibit<br/>         f. Area: 212,137 sf or 4.87 ac<br/>         g. Instrument Type: NA<br/>         h. Terms: Cash Equivalent<br/>         i. AF#: NA</p> | <p>j. Sale Date: Pending 12/28/2023<br/>         k. Price: \$1,380,000<br/>         l. Seller: John Gamlan<br/>         m. Buyer: Not Disclosed<br/>         n. Confirmed With: John Gamlan, Listing Agent<br/>         Phone/Email: 425 778-1390<br/>         o. Confirmed by: John Lutes<br/>         Date Confirmed: 10/14/2024<br/>         p. Date Inspected: 9/26/2024</p> |
|--|--|

4. Legal Description or Tax Parcel #: 00590700001900

5. Physical Characteristics (confirmation information, property description at sale, changes since sale, etc.):

a. Property Description: This rectangular parcel is 4.87 acres per Snohomish County records. It is at the grade of 87<sup>th</sup> Ave NE, with some gradual sloping to the northeast. There is a vacant derelict house on the property. Full utilities including electricity, sanitary sewer and water are available in the street.

b. Confirmation Data and Comments: This pending sale listed for \$1,380,000 and went pending in 1 day. There is a preliminary plan approved to subdivide into 12 lots for single family homes reserving 2+ acres for an open space greenbelt. Seller confirmed buyer is a small home builder who will develop the property. The buyer is paying \$7,500 per month to extend closing while they secure financing. Seller is considering relisting the property for \$1,440,000 if sale does not close by November 2024 as he has multiple parties interested. Access will be from 88<sup>th</sup> Ave NE.

## 6. Allocation:

Item	Contribution Value		Market Unit	
12 Lots	\$	1,380,000	\$	115,000/Lot
Land: 212,137 sf or 4.87 ac	\$		\$	
Buildings: SF Residence Uninhabited	\$		\$	
	\$		\$	
Other (Site, Yard, etc.):	\$		\$	
	\$			
<b>Total Sale Price</b>	<b>\$</b>	<b>1,380,000</b>		



Addenda

Comparable Plat Sale # 3: Sale Sketch & Photographs



Measurements Approximate

Date Taken: 9/26/2024

Photographer: John Lutes

## Addenda

## Appraiser Qualifications

**John Lutes****Education:**

Bachelor of Science 1991, Northern Arizona University.  
Successfully completed the following real estate courses:

- Real Estate Fundamentals
- Real Estate Practice
- Principals of Appraising
- Appraisal Practice
- USPSP 15 and 7 hour
- Supervising the Trainee Appraiser
- General Appraisal Sales Comparison Approach
- General Appraisal Market Analysis Highest and Best Use
- General Appraisal Report Writing and Case Studies
- General Appraisal Site Valuation and Cost Approach
- Statistics, Modeling and Finance
- NHI 141045 Real Estate Acquisition under the Uniform Act
- NHI 141054 Practical Applications in Federal-Aid Program Appraisals
- IRWA 200 Principles of Real Estate Negotiation
- IRWA 421 The Valuation of Partial Acquisitions
- IRWA 900 Principles of Real Estate Engineering

**Appraisal Experience:**

Accrued over 2,500 of the 3,000 experienced hours needed for a Certified General Appraiser License.  
Experienced in the Valuation of:

- Residential
- Commercial
- Industrial
- Mixed-use
- Agricultural
- Vacant land
- Partial acquisitions
- Temporary and Permanent Easements
- Project Funding Estimates
- Feasibility Studies

**Professional Affiliations:**

- Appraisal Trainee WA License 1002118

## Addenda

## Qualifications of David Coleman

State-Certified General Appraiser (2003-Current)

Washington State Certified General Appraiser License # 1101543

International Right-of-Way Association (IRWA), Member (2024)

## Education

Bachelor of Arts in Economic/Urban Geography with a focus in Real Estate Development & Location Theory (Project Development Financial Feasibility Analysis), University of Washington, 1995

## Professional Education

- Valuation of Partial Acquisitions (IRWA C-421, 2024)
- Reviewing Appraisals in Eminent Domain (IRWA C-410, 2024)
- Income Approach in Partial Acquisitions (IRWA C-402, 2024)
- Principles of RE Appraisal (IRWA C-400, 2024)
- 7-Hr. Uniform Standards of Professional Appraisal Practice (USPAP) (Appraisal Institute, 2024)
- WA Real Estate Law (August 2022)
- Advanced Contract Law (August 2022)
- WA Advanced Real Estate Practices (August 2022)
- Residential Property Inspection for Appraisers (2021)
- Supporting your Adjustments: Methods for Residential Assignments (2021)
- Land & Site Valuation (2021)
- The Sales Comparison Approach (2021)
- Supervisor-Trainee Course for WA (2021)
- Evaluations, Desktops & other Limited Scope Appraisals (2021)
- Appraisal of REO & Foreclosed Properties (2019)
- Complex Properties: The odd side of Appraisal (2019)
- Appraisal of Self-storage facilities (2019)
- Defensible Appraising (2019)
- Subdivision Valuation (Appraisal Institute, 2017)
- **Financial Analysis for Commercial Investment Real Estate (CCIM Institute, 2014)**
- Small Motel/Hotel Valuation (Appraisal Institute, 2011)
- **Advanced Sales Comparison & Cost Approaches (Appraisal Institute, 2008)**
- **Highest & Best Use and Market Analysis (Appraisal Institute, 2006)**
- Business Practices & Ethics (Appraisal Institute, 2005)
- **Report Writing & Valuation Analysis (Appraisal Institute, 2003)**
- **Income Capitalization (Appraisal Institute, 2000)**
- Foundations of RE Appraisal (N. Seattle Community College, 2000)
- Real Estate Appraisal Procedures (Bellevue Community College, 1999)