Appraisal Review

Waterfront Seattle Project Special Benefit Study

as of October 1, 2019 (Study Date)

Prepared for

Victor Moses

Prepared by

Peter K. Shorett, MAI, CRE, FRICS

KM Job A20-0228

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Kidder Mathews

March 9, 2020

Victor Moses
1521 2nd Ave., Suite 2304
Seattle, WA 98101

Dear Mr. Moses:

At your request, we have performed an appraisal review of the Final Special Benefit/ Proportionate Assessment Study (Study) for the Waterfront Seattle Project (Waterfront Project) Local Improvement District (LID). This review was conducted in accordance with Standard 3 of the Uniform Standards of Professional Appraisal Practice (USPAP) for performing Appraisal Reviews. These services comply with and are subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. A summary of the appraisal reviewed and our conclusions are contained in this report.

The Study concludes that 6,238 properties within a defined LID boundary will benefit from LID improvements that are part of the larger Waterfront Project. The Study provides opinion and analysis that form the basis for the formation of the LID boundary area and then applies value estimates for each of the 6,238 properties before and after completion of the Project.

This review provides an opinion of the appropriateness of the conclusions reached in the Study. We consider the appropriateness of the LID boundary conclusions, the estimates of benefit to the properties in the study, then a review of the value appropriateness before and after the Project for the property that is the subject of this review.

Respectfully submitted,

Peter K. Shorett, MAI, CRE, FRICS
Certified General Real Estate Appraiser
WA License 1100389, exp 4/10/2021

Certification

I certify that, to the best of my knowledge and belief:

1) The statements of fact contained in this report are true and correct.
2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8) Peter K. Shorett has not made a personal inspection of the property that is the subject of this report.
9) I have not previously appraised the property within the three years preceding our acceptance of this engagement.
10) Jesse Baker provided significant real property appraisal assistance to the persons signing this certification.
11) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics* and *Standards of Professional Practice* of the Appraisal Institute.
12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13) As of the date of this report, Peter K. Shorett have completed the continuing education program for Designated Members of the Appraisal Institute.

Peter K. Shorett, MAI, CRE, FRICS
Certified General Real Estate Appraiser
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Limiting Conditions

Limiting conditions specific to this appraisal are as follows:

1) The appraiser has made no survey of the property and assume no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.
2) It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures (including asbestos, soil contamination or unknown environmental factors) that render it more or less valuable. No responsibility is assumed for such conditions or for arranging the studies that may be required to discover them.
3) No responsibility is assumed for the legal description or for matters including legal or title considerations.
4) The information identified in this report as being furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5) The appraiser is are not required to give testimony or attendance in court by reason of this appraisal unless arrangements have previously been made.
6) The allocation of total value to land, buildings, or any fractional part or interest, if shown in this report, is invalidated if used separately in conjunction with any other appraisal.
7) The appraiser is competent and qualified to perform the appraisal assignment.
8) Valuation Advisory Services is a subsidiary of Kidder Mathews, a full service commercial real estate brokerage firm. On occasion, employees or agents of the firm have interests in the property being appraised. When present, interests have been disclosed and the report has been made absent of any influence from these parties.

RESTRICTION UPON DISCLOSURE & USE:
Disclosure of the contents of this appraisal report is governed by the By-Laws & Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraiser.

Summary

Property Appraised in Study	Residential Condominium 1521 2nd Avenue, Unit 2304 Seattle, WA
Study Prepared By	ABS Valuation Robert J. Macaulay, MAI 2927 Colby Avenue, Suite 100 Everett, WA 98201
Study Reviewed By	Peter K. Shorett, MAI, CRE, FRICS Kidder Mathews Valuation Advisory Services 601 Union St., Suite 4720 Seattle, WA 98101
Intended Users	This appraisal review is prepared for you, City of Seattle Hearing Examiner Ryan Vancil, the Seattle City Council members, and Robert J. Macaulay, MAI, appraiser with ABS Valuation
Intended Use	To be used in support of the property owners appeal of the Special Benefit Assessment proposed to be levied against the property.
Purpose of the Assignment	To determine the appropriateness of the conclusions reached in the Final Special Benefit/Proportionate Assessment Study (Study) for the Waterfront Seattle Project Local Improvement District (LID).
Date of Appraisal Under Review	Prepared – November 18, 2019 Date of Value – October 1, 2019
Date of Reviewer's Opinion	Prepared – March 9, 2020 Date of Value – October 1, 2019
Extraordinary Assumptions or Hypothetical Conditions to this Review	None

Scope of the Review

This is a review and critique of the value methodologies and conclusions in the Study and the estimate of value increase for the property before and after the LID improvements are in place.

The scope of work included a review of the Study, its Addendum, a general inspection of properties within the LID boundary area, location where the LID improvements will be made, additional research on the case study examples used in the Study and interviews with market participants in those markets.

The results of the review are contained in this report.

Value Conclusion of Study Under Review

APN	Value Before	Special Benefit %	Special Benefit $	Value After	LID Assessment
253883 0850	$2,412,200	2.7%	$65,129	$2,477,329	$25,519

Reviewer's Conclusions

It is concluded that the assignment results in the Study are misleading and do not provide the necessary evidence to provide credible opinions of property value increases before and after the LID improvements are in place. The appraiser has failed to provide the proper support to conclude that the LID improvements provide special benefits to the properties in the LID boundary area, in contrast to the more common general benefits that park improvements typically create for the benefit of the larger community and region.

The Study determines special benefits based on case studies that represent completely different neighborhood settings. As explained in the attached exhibit, every case study considered was in a significantly inferior condition before the project improvements were installed. Most are significant urban renewal projects that have changed the landscape of surrounding neighborhoods and communities, and dramatically changed the way locals and visitors interact with those communities. Those case studies starkly contrast with the Seattle waterfront that even today, is a very desirable community asset with views to the west towards the Puget Sound and the Olympic Mountains. As part of the Viaduct removal, the City must restore the waterfront with roads, sidewalks, landscaping and other streetscape improvements regardless of the LID improvements. The LID improvements marginally add to what would already have been a very desirable property condition before the improvements. The case studies contained in the Study illustrate benefits received in those communities well beyond the level that the LID improvements will provide.

Further, the economic studies considered in the Study focus on the overall benefit of the projects rather than the incremental impact such as the LID improvements provide. None fairly represent incremental property value impacts such as those contemplated from the LID improvements. And the results of the studies focus on benefits to a larger study area than those established in the LID boundary area.

The estimated value increases are so small that it is virtually impossible to estimate at the level of precision implied in the Study. The value increase estimates of 0.5% to 4.0% are below the margin of error typically accepted within real estate appraisal practice.

The increase in value reported in the appraisal is not credible and is not reliable.

Attached to this review is Exhibit 1 that provides further support and explanation for these opinions.

The above opinion relates to how the Study fails to provide sufficient information to enable the users of the appraisal to understand the report under USPAP Standards Rule 6-1 for the 6,238 properties within the LID Boundary area. The following provides a more detail analysis of how the Study fails to support the opinions rendered in that report specific to the residential condominium unit that is the subject of this review.

Standard 5 or the Uniform Standards of Professional Appraisal Practice (USPAP) speaks to the development of a mass appraisal and states that *"In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals."* Standard 6 guides how the results are to be reported. It is my opinion that the appraiser has failed to provide the necessary evidence to provide a credible appraisal.

USPAP Standards Rule 6-1 states that:

Each written report of a mass appraisal must:

(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly

The extent of research and projects used to formulate the appraisers opinions are described on page 44 of the Study. It includes consideration of impacts on property values of and the geographic radius of special *probable* benefit created by such projects of other properties around the country, research of published studies and interviews with real estate brokers and appraisers in many of the affected neighborhoods.

However, the appraisal states:

1. While aspects of the projects are discussed and used for comparison, none of the projects are highly similar to the Waterfront Seattle Project LID (i.e., differences in view amenity, specific improvements, neighborhood and parcel characteristics, etc.), and
2. *Ongoing and proposed construction will have profound impacts on market value of individual subject properties, the magnitude of such impacts, considering the current strength of the local market demand, is the major influence on property values with waterfront projects* (the subject and others, including removal of the viaduct) contribution in varying degrees.

These statements imply a low level of precision to the estimates in the Study. As stated in the report, the projects considered are neither "highly similar" and are influenced by "external factors" and impact the project element studied. These statements simply confirm that determining any value increase from the LID Improvements beyond those that would have otherwise been in place in the before condition is remote and speculative. Again, the appraiser fails to employ the most relevant metric for determining special benefits for this specific property type – matched pair analysis.

The Study considers six case studies in the report. However, none of the case examples are in anyway similar to the nominal level of improvement that the LID Improvements provide above the base condition assumed in the "before" condition.

The following explains why the case examples in the ABS report are not relevant for the study of value increases from the LID Improvements.

Case Studies

None of the case studies offer comparison discussion or provide analysis specific to the value of high-end residential condominium units, or for that matter, hotel properties along with most the other property types within the LID Boundary Area. They simply fail to provide the necessary support for the increase in value for a nominal change in condition from the LID Improvements.

Tom McCall Waterfront Park, Portland

This case study only references office and retail uses. The narrative states that interviews were conducted with area brokers for residential, commercial and office uses, but the report only comments on value influences for office and retail uses. There are no statements about how the multifamily residential (apartments), residential condominium units or hospitality (hotel) markets are affected. A statement on page 50 says research from CoStar shows a 16% increase in property values, but the report fails to explain if this is for office, retail, or other property type, or for what time period.

Further, there is no date stamp on the events and associate value increases reported in the Study. It notes that renovation of the existing park began in 2003 and continued into 2011, a nine-year time frame when economic conditions were changing rapidly. It is not clear if the reported value increases are related to the economic growth incurred leading to the great recession in late 2008, or after it was named one of America's greatest public spaces in late 2012 when the economy was well underway with its economic rebound.

There is no compelling evidence in this case study, as reported, that residential condominium values like the property being appraised would increase from the proposed LID Improvements. The same is true for hotel properties.

Kidder Mathews has had an office overlooking the park for many years. Steven Klein, Executive Vice President and Managing Director of the Portland office states: "In my opinion, having been in the KM office directly across the street from the Park for 14 years and one block off for the past 2 years, I have seen no difference in activity in the park. The biggest benefit is a *better view looking east*, and that's about it. Over the last 2 years they have closed one of the two north bound lanes of Naito Parkway and created a bike lane, which has frustrated many of the drivers who use NP to get to those buildings closer to the park. Traffic gets pretty backed up at times. I really don't see much, if any, rent premium for buildings closer to the park. In fact, the space that we moved out of in the Umpqua Plaza, directly across from the park, with exceptional view, sat vacant for two years until it was just recently leased. Some would say that being located closer to the core downtown area or the streetcar would be more of a benefit."

Rose Kennedy Greenway, Boston

This is a completely different redevelopment scenario than the proposed LID Improvements. The Rose Kennedy Greenway results from moving elevated Interstate 93 underground that opened 17 acres of what was a physical barrier separating East and West Boston. It is the byproduct of the Big Dig, the underground tunnel megaproject completed in 2007 for over $8.08 billion.

Rose Kennedy Greenway, Boston MA Above, Before (left) and After (right)

This redevelopment opened the surface right of way that was turned into a 15-acre greenway with substantial surface improvements for neighborhood connectivity. Improvements include water attractions, beer and wine gardens, plants and landscapes, carousel and food trucks along with the bike and walking trails. The difference before and after the project completion is substantial.

The Study does reference increases in residential values, which is not surprising given the magnitude of this project compared with the minimal impact that the LID Improvements will provide compared to the condition of the Seattle Waterfront without these improvements in place.

Hudson River Park, New York, NY

This land before the Hudson River Park is described on the internet as wasteland with warehouses of no value demolished to make way for the Federal and State funded park. It was a complete transformation of underutilized land into a thriving regional park. Construction of the park began in the 1990's and was complete over serval stages through the 2010's.

The park was improved with sports fields, mini golf, a carousel, a promenade, dog parks, play areas, bike paths and other waterfront amenities. Like the Rose Kennedy Gardens Greenway, this project is a dramatic change in land use and complete redevelopment of the area. It is such a vastly more impactful project than the LID Improvements for the Seattle waterfront it spurred new residential condominium construction.

Embarcadero, San Francisco, CA

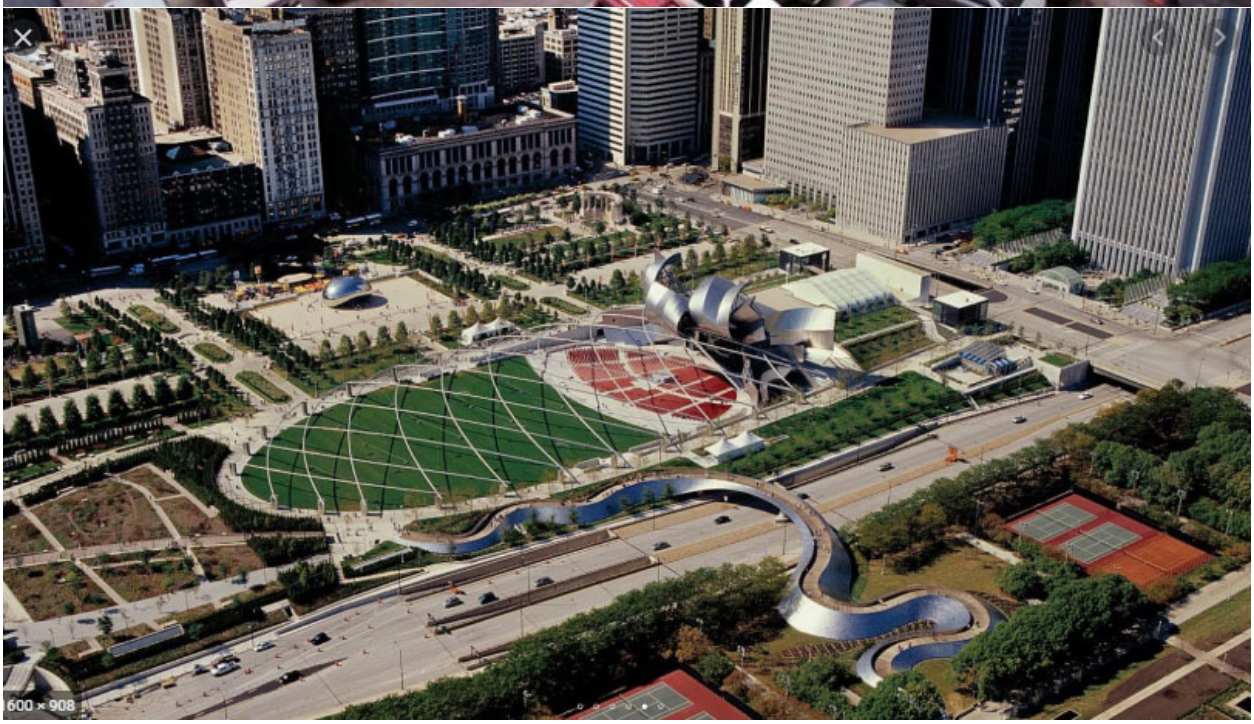
The Embarcadero was destroyed during the 1989 Loma Prieta earthquake requiring demolition and replacement transportation improvement alternatives as it was a main transportation link into the City of San Francisco. Demolition of the ruined viaduct was completed by 1991 and a new transportation grid and project improvements were completed in early 1990's. This project was developed by necessity, but the City did have input on it design and used the opportunity to better a waterfront once separated by the elevated Embarcadero viaduct structure. It opened access to the waterfront from the City along with desirable views east towards San Francisco Bay.

Ferry Building, San Francisco. Before Loma Prieta Earthquake and after.

The study appropriately states there were no special benefits to residential and retail properties beyond 1 to 2 block radius from the expressway, the views east towards the Bay are still blocked for those properties.

<u>Millennium Park, Chicago, Il</u>

Like the Rose Kennedy Greenway and Hudson River Park, Millennium Park was a total transformation of an underutilized large Former rail yard. The 24.5 acre former rail yard was transformed into one of the most accessible and innovative public spaces. It was completed in 2004 for nearly $500 million paid through taxpayers and private donors. As the reader can see, this is an extraordinary renovation not even close to the magnitude of the LID Improvements.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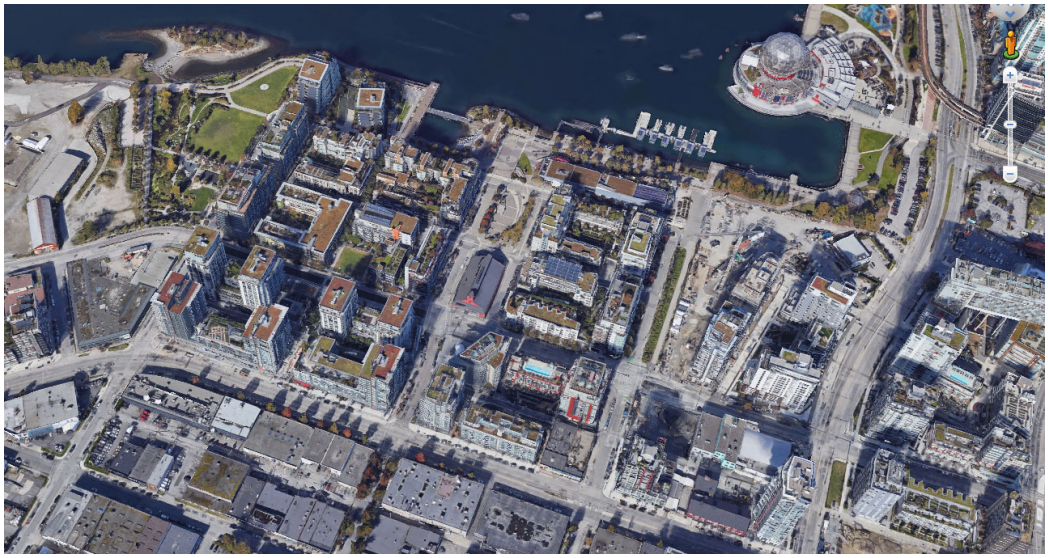
The citations in the Study indicate that the renovation resulted in new construction and housing stock. It is also reported that "To be sure, some of the building would have occurred to the degree and not with the speed it has". And while the Study touts the economic benefit to the City of Chicago, it only cites a study that measured increases in value from better views, not because of the redevelopment project.

Southeast False Creek Conceptual Plan/Stanley Park, Vancouver B.C.

Much like the three previous case studies, the Southeast False Creek redevelopment is a complete transformation of a neighborhood that far exceeds the scale of development contemplated for the LID Improvements. The 80-acre site has been in redevelopment since the mid 1990's and was the site of the Vancouver 2010 Olympic and Paralympic Village. The photos below show a complete transformation of the neighborhood from what was once underutilized industrial land.



The only real findings from these studies for multifamily projects are:

- Redevelopment of an under improved area will likely result in gentrification and new residential construction.
- Premiums are paid for properties with superior view orientations and waterfront amenities.

The performance of this redevelopment project is not comparable to possible value increases resulting from the LID Improvements.

Olympic Sculpture Park

The Study discusses this public improvement, which is about one half mile northwest of Pike Place Market, and the location of the Overlook Walk. The Study talks about how the park was built on a contaminated brownfield, that it is a locational amenity, remains a draw to occupants of multifamily property, but is not a deciding factor in overall asking rental rates and vacancy percentages. Absent the park and with the continued existence of an abandoned and hazardous industrial area, it was the opinion of most brokers and managers that this would be a negative factor affecting overall rental and vacancy rates. From the interviews, an aesthetically pleasing open space amenity is perceived as a positive influence for the surrounding market area.

The condition of the surrounding properties to the Olympic Sculpture Park before and after are really no different than the case studies examined above. Why there are no implied increase in property values reported in the Study is not clear, maybe there are none. The impacts to properties around this project are no different from in the other renovation examples.

Conclusion

There is no empirical evidence to support property value increases for high end, west facing, residential condominium units from these case studies in the before and after condition assumed in the Study. To do draw such a conclusion is misleading.

Economic Studies

2019 HR&A Economic Study

In Exhibit 1 to this appraisal review, the HR&A Economic Study analyzes the entire regional waterfront project, including a geographical area far greater than the LID Boundaries used in the Special Benefit Study. If further analyzes the project in its entirety, and does not differentiate between the incremental difference between the “before” and ”after” conditions assumed in the ABS report. Therefore, the results of the report overstate the economic impacts to properties because of the LID Improvements.

The ABS report errors in referencing that the enhanced waterfront has the potential to add 1.5 million new net visitors generating $191 million in annual visitor spending, among other statistics

noted in the report, without disclosing that this data is not specific to the LID Improvements and that the actual impacts of these improvements were not within the scope of the HR&A Study. Reliance on the HR&A report by ABS is misleading.

Crompton

Exhibit 1 to this appraisal review outlines the relevance (or lack thereof) of John L. Crompton's economic analysis 2001 (updated 2014) study entitled "The Impact of Parks on Property Values: A Review of the Empirical Evidence" referenced on pages 45 – 47 of the ABS report on how it relates to property values with and without nearby parks. The report fails to cite the actual study used in the ABS analysis - "THE PROXIMATE PRINCIPLE: The Impacts of Parks, Open Space and Water Features on Residential Property Values and the Property Tax Base". This is the source for the statistical data used in the ABS appraisal (PDF pages 19, 20 & 21).

It is important to understand that the results of the studies are specific to residential uses and does not quantify or qualify the economic benefits for other property types such as office, hotel, retail, special purpose or government use properties.

Further, the study measures the premium that people are willing to pay for a property located close to parks and open space areas compared with a home that does not have this amenity. But it does not measure the granular difference between what would already be considered a park like setting of the Seattle Waterfront in the before condition to that with the LID improvements in place.

Last, the study determines the incremental amount of taxes that would be generated by each property to pay the annual debt charges required to retire the bonds use to acquire and develop the park. The purpose of the study has nothing to do with the assessment of special benefits.

From this study, ABS estimates that condominium values will increase by 5% within a 3 blocks of the new amenities. However, this opinion implies a linear or straight-line benefit for these three blocks. This contradicts the Crompton study results that show the most benefit is within the first block immediately adjacent to the park, diminishing exponentially with distance to the amenity.

Crompton concludes that the area of proximate impact of a park should be limited to 500 feet or three blocks. The empirical results suggest this is likely to capture most the premium from small neighborhood parks and 75% of the premium from relatively large parks. The remaining 25% will dissipate over properties between 500 and 2,000 feet from the amenity as shown on the graphic below (page 85).

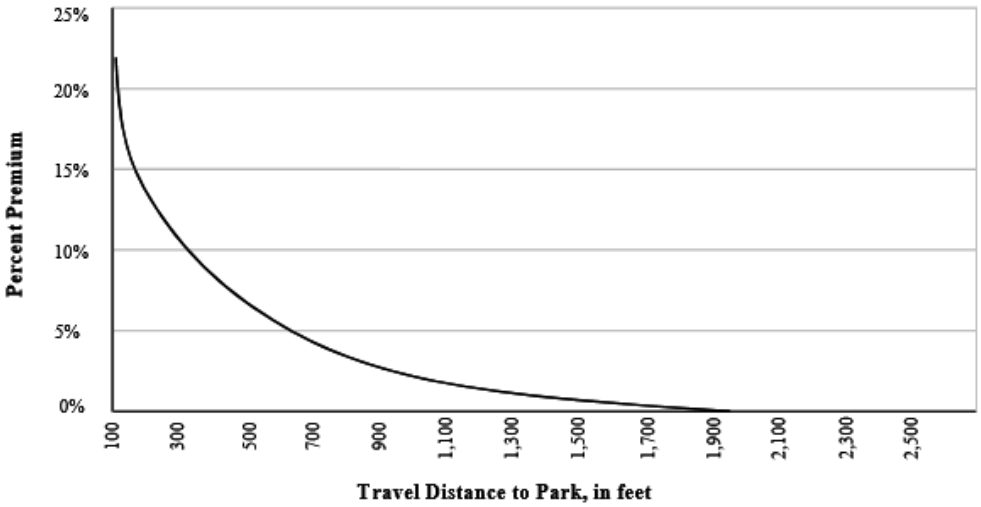
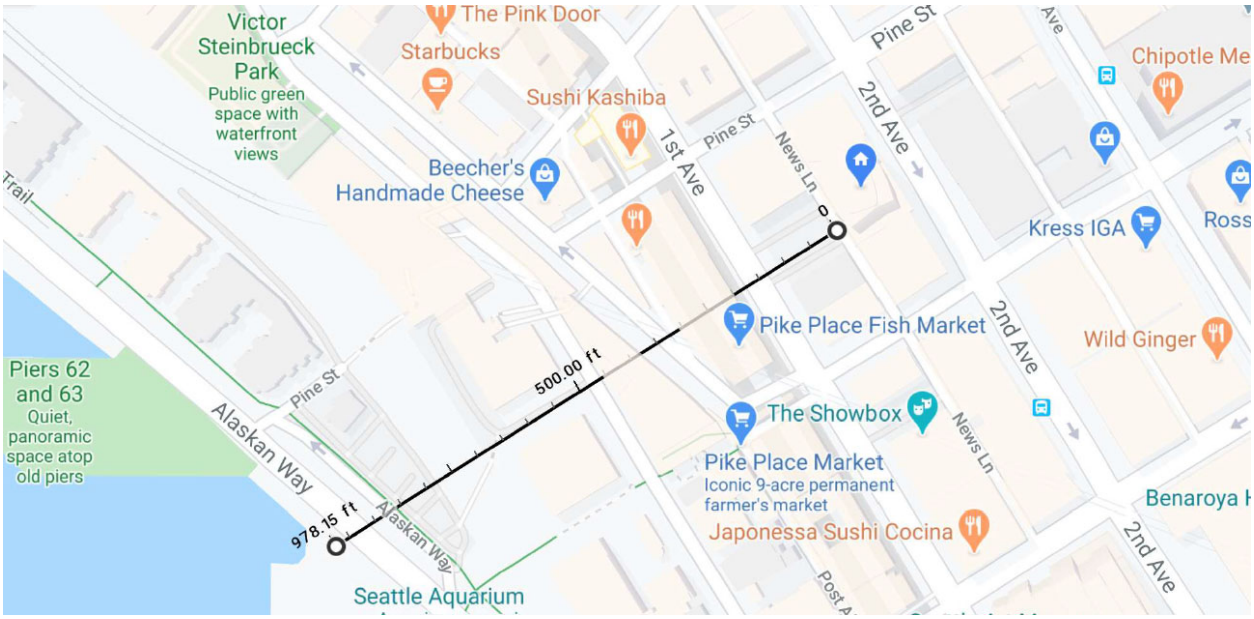
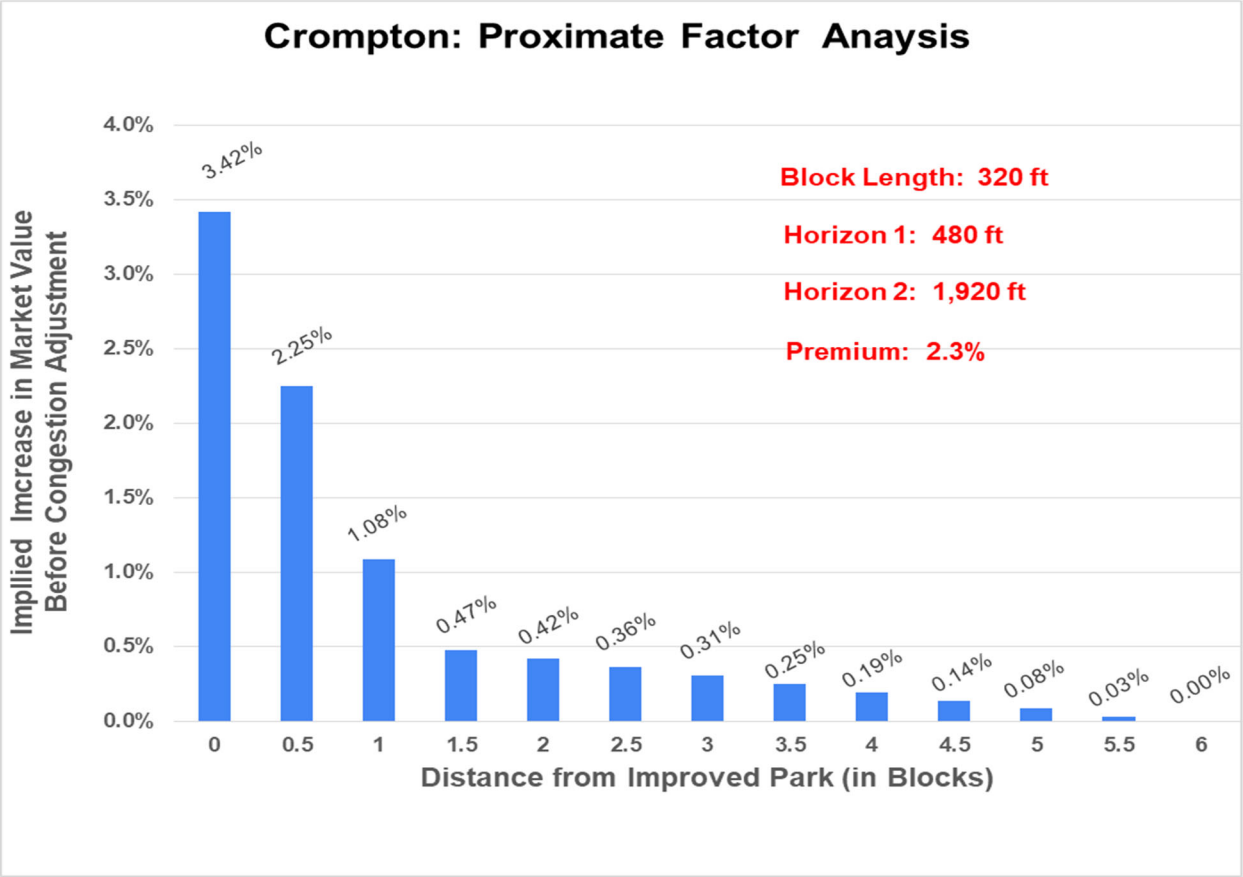


Exhibit 3-5 Impact of Proximity to Parks (14 Neighborhood Parks, Dallas-Fort Worth Metroplex)

The 1521 2nd Avenue Condominiums are approximately 1,000 feet from the primary park improvements or slightly more than three city blocks.



Applying the principles of Crompton's research for a large park adapted to Seattle city blocks and incorporating the highest level of benefit estimated in the ABS report for a condominium (Four Seasons at 3.42%) results in a 0.31% benefit for the property.



The map and financial analysis presented was prepared by Victor Moses, appellant to the Waterfront LID, Unit 2304 at 1521 2nd Avenue, Seattle, WA. His research and analysis is attached to this review as Exhibit 2. I have reviewed his work and concur with his analysis.

Even if one were to agree that the LID Improvements provided special benefit, which I don't believe has been adequately established, properly using the Crompton analysis would imply a benefit of about 0.3% compared with the ABS report that estimates a value increase of 2.7%.
Using the value estimate in the ABS report, this would result in an LID assessment of:

Market Value Before LID Improvements		$2,412,200
Special Benefit	0.3%	$7,237
Market Value After LID Improvements		$2,419,437
Assessment	39.2%	$2,837

The Assessment shown above is for the cost of all the LID improvements. It includes no adjustment the potential negative impact on value from the improvements made along the Pike/Pine Corridor. Exhibit 1 to this appraisal review concludes these to be general street beautification improvements, something the City of Seattle would otherwise be obligated to provide as part of ongoing maintenance and regular upgrade initiatives. Mr. Moses provides his

perspective on the negative impact of these improvements in Exhibit 2. It is a more detailed analysis, including increased pedestrian traffic on Pike/Pine nor the impact of changes to make both of those streets “shared use” pedestrian between 1st and 2nd Aves., separation of the Pike/Pine Improvements and lack of tree maturity. These are not considered in the ABS report.

EXHIBIT 1 – ATTACHMENT TO APPRAISAL REVIEW

This attachment provides support for the opinions in the accompanying appraisal review. It is not intended to be a standalone document and can only be used in conjunction with that appraisal review report.

This letter provides a descriptive overview of the Waterfront Seattle Project (Project) proposed by the City of Seattle and the appropriateness of the Special Benefit/Proportionate Assessment Study (Study) prepared by ABS Valuation for assigning assessments to properties for partial funding of the Project through a Local Improvement District (LID) special assessment.

Executive Summary

Following the removal of the Alaskan Way Viaduct, the City of Seattle plans to construct a park promenade along the water, construct a new surface street along Alaskan Way, rebuild Pier 58 and Pier 62, build an elevated connection from Pike Place Market to the waterfront, and improve east-west connections between downtown and Elliott Bay. The Project will be a $724M investment planned for completion by 2024.

The City adopted the ordinance to create the formation of the LID for partial payment of the Project. ABS Valuation prepared their Study with an October 1, 2019 date of value released to the public on or about January 10, 2020. The Study estimates the before and after value of property within a defined LID boundary area. The report includes 6,238 properties within the LID boundary and concludes a value increase because of the Project equal to $447M. The City has allocated $175.5M of the Project cost to these properties through the formation of the LID.

A LID is an unusual funding mechanism, especially for a project of this magnitude. The last major LID formed in the region was for the South Lake Union Streetcar in 2007. Funding for the park projects noted in the Study and accompanying reports was from tax incremental financing, transportation funds, City, State or Federal funds and grants, public, private, or philanthropy. None were funded with a LID.

It is important to understand the property conditions before and after the LID improvements that the Study is attempting to value. The Project is a component of a larger effort to restore the Seattle waterfront following the removal of the Alaskan Way Viaduct. As part of its removal, the City must restore the waterfront with roads, sidewalks, landscaping and other streetscape improvements to current design standards regardless of the LID improvements. The LID improvements add on to a project that is already schedule for construction.

Up to the release of the Study, the condition of the property before the LID improvements was largely unknown because the City had not prepared drawings and exhibits showing the difference in the property before and after with the LID improvements in place. These conditions were just provided as an addendum to the Study and help explain the marginal difference between the property condition before and after the LID improvements.

From this, the Study attempts to determine the value increase from these LID improvements for a very large grouping of properties from what would already have been a very desirable property condition without the LID improvements.

It is our conclusion that the assignment results in the Study are misleading and do not provide the necessary evidence to provide credible opinions of property value increases before and after the LID improvements are in place.

1. The difference in the property condition before and after the LID improvements are in place is overstated.
2. The LID improvements provide a general, not special benefit. There is insufficient evidence in the Study to conclude that the LID improvements provide special benefits to the properties in the LID boundary.
3. The LID boundary area is too large.
4. The value increase from the LID related improvements opined in the Study of 4% or less is within a margin of error for mass appraisals, and therefore is remote and speculative.
5. There is inequitable analysis between property types and uses.
6. Many values are overstated.
7. The Study relies on a report prepared by HR&A Advisors that fails to consider the economic impacts if the LID improvements were not funded.

1. <u>Difference in the Before and After Condition</u>

The Study gives the impression that the LID improvements will transform the Project to a greater level of improvement than will actually be realized.

The LID improvements will convert public space to a dedicated park, but it does not bring better connectivity to Pioneer Square, north towards Colman Dock and the retail piers (54 through 57) to Union Street. Those connections already exist.

The Study states: "… With the LID project completed, accessibility to the waterfront from nearby areas including the Pike Place Market, downtown business district and Pioneer Square will vastly improve. On an overall basis, referring the economic studies and rating system discussed herein, *the waterfront area in general improves from a subjective quality rating of <u>average in the "before" scenario to excellent with the LID project completed</u>*."

The Overlook Walk will provide a grand entrance from the Market to the waterfront, but for decades, tourists and visitors have found their way to the waterfront. Access to the waterfront from downtown Seattle will improve near Pike Place Market in the after condition, but the improvement is not such that it creates a special benefit.

Properties around the Project will still enjoy the spectacular views west towards Puget Sound, the Olympic Mountains to the south towards Mount Rainer, some of the many reasons visitors are *attracted* to Seattle. Adding the LID improvements marginally enhances that experience above and beyond what would be in place without the LID improvements. Even today, with all the construction from the removal of the Alaskan Way Viaduct, Sea Wall replacement and Washington State Ferry Terminal construction, the waterfront remains an active and vibrant

tourist destination. There is no market evidence in the report that waterfront access would change from average to excellent because of the LID improvements.

There are too many other amenities in the region attracting tourism to suggest that the LID improvements singularly will cause property values to increase. Seattle is already blessed with attractions like the Pike Place Market, Pioneer Square, International District, Seattle Center, Space Needle, Chihuly Garden and Glass, Seattle Monorail, Seattle Art Museum, Washington State Ferries, the Great Wheel, T-Mobile Park, CenturyLink Field, Hiram Chittenden Locks, Discovery and Myrtle Edwards Parks. There is competition for tourist dollars from these area attractions. It's virtually impossible to identify a percentage of value increase from the LID improvements, and to conclude that the LID improvements will substantively change visitor preferences is remote and speculative.

There are consequences from the LID improvements not considered in the report, such as losing street parking. The renderings show a loss of at least 60 parking stalls along Alaskan Way in a market already short of parking. Also not considered are the impacts to properties where tree density will increase, and views will be lost from the lower level of some buildings.

The Study also ignores the impacts for development not expected to be completed until 2023/2024. Work will be ongoing including the completion of Pier 62, construction of a new pedestrian bridge, stairs and an elevator on Union Street from Western Avenue to Alaskan Way. In 2021, the Overlook Walk, a main park promenade along the water and piers with a bike bath, a new park on Pier 58 and additional connections to Colman Dock will be built. The new Seattle Aquarium Ocean Pavilion will not be completed until 2024. The Study also ignores the uncertainty of completing a five-year project on time, nor does it consider changes in project scope or cost overruns, real elements in any development the magnitude of the Project.

It also ignores the impacts of construction over the next five years in its analysis. The construction along the waterfront has been disruptive and has negatively affected property value. Retail sales are down and will expect to be soft during project construction.

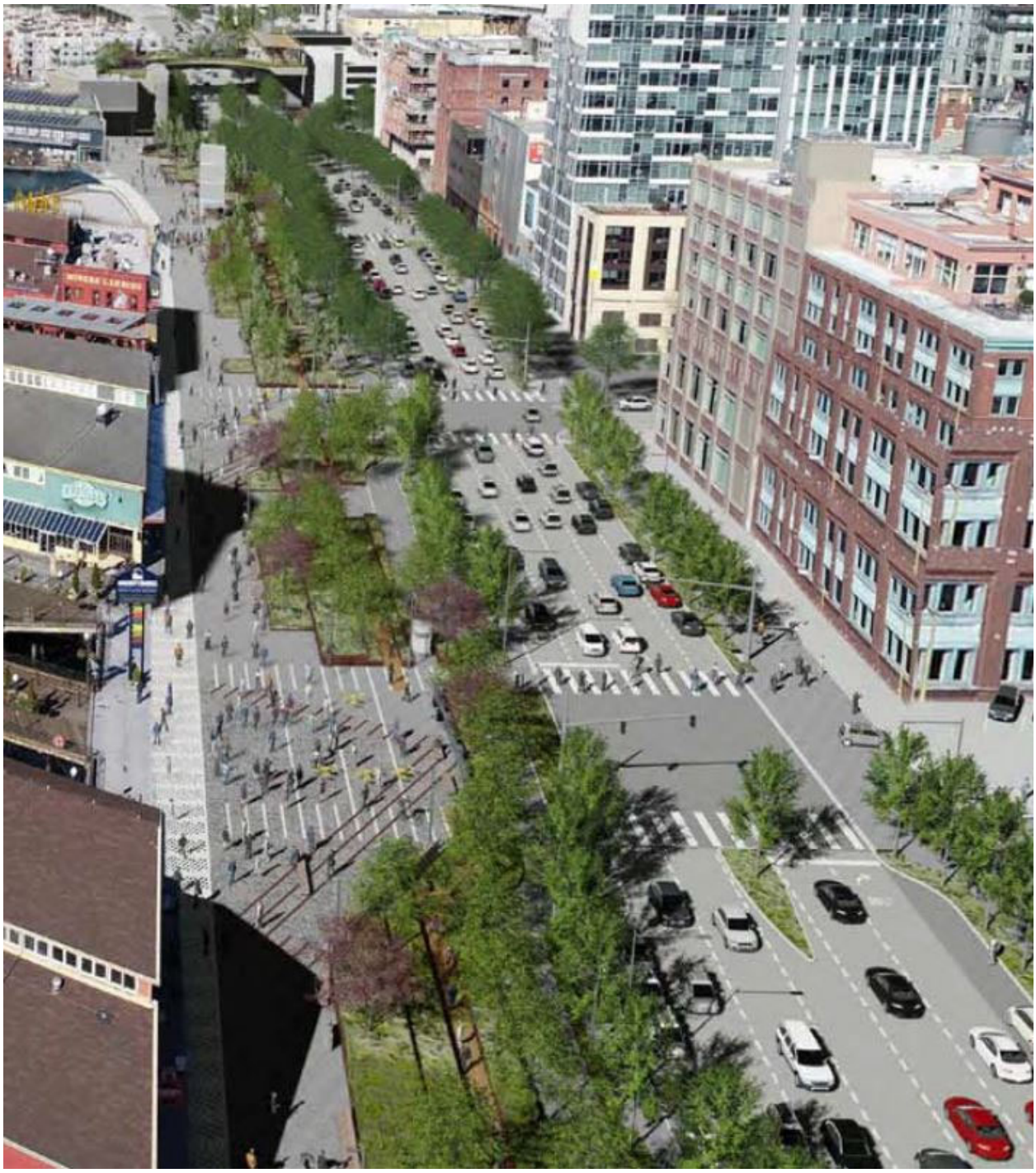
The following exhibits present a better visual of the difference before and after the LID improvements. The most impactful consist of the Promenade, Pier 58 decking, Union Street Staircase and Overlook Walk. While the LID improvements create a more park like setting, the condition of the roads, bike trails, landscaping and streetscape after completion is marginally improved from the condition before. The reader can see the marginal increase in property condition that visitors will experience because of the LID improvements.

Promenade

Before

After

The area along Elliott Bay stretching from about Pine Street south to Dearborn Street will add landscaping, pedestrian corridors, bike paths, and park elements (benches, artwork, etc.).



Before

After

Pier 58

Waterfront Park is improved with a boardwalk & a pair of sculptures, plus views of the skyline & ships in dry-dock. There is a mix of plantings, public gathering areas and concrete amphitheater, fountain and seating areas.

Before

After

The LID improvements will create a larger platform with children's play area and raised lawn area. The possible bathroom would not be funded by the LID.

Union Street Pedestrian Extension

Present access from downtown Seattle is along a staircase leading down from the Four Seasons Hotel, to another staircase from Western Avenue to Alaskan Way.

Before

After

Improvements will include a new staircase, pedestrian areas, benches and artwork.

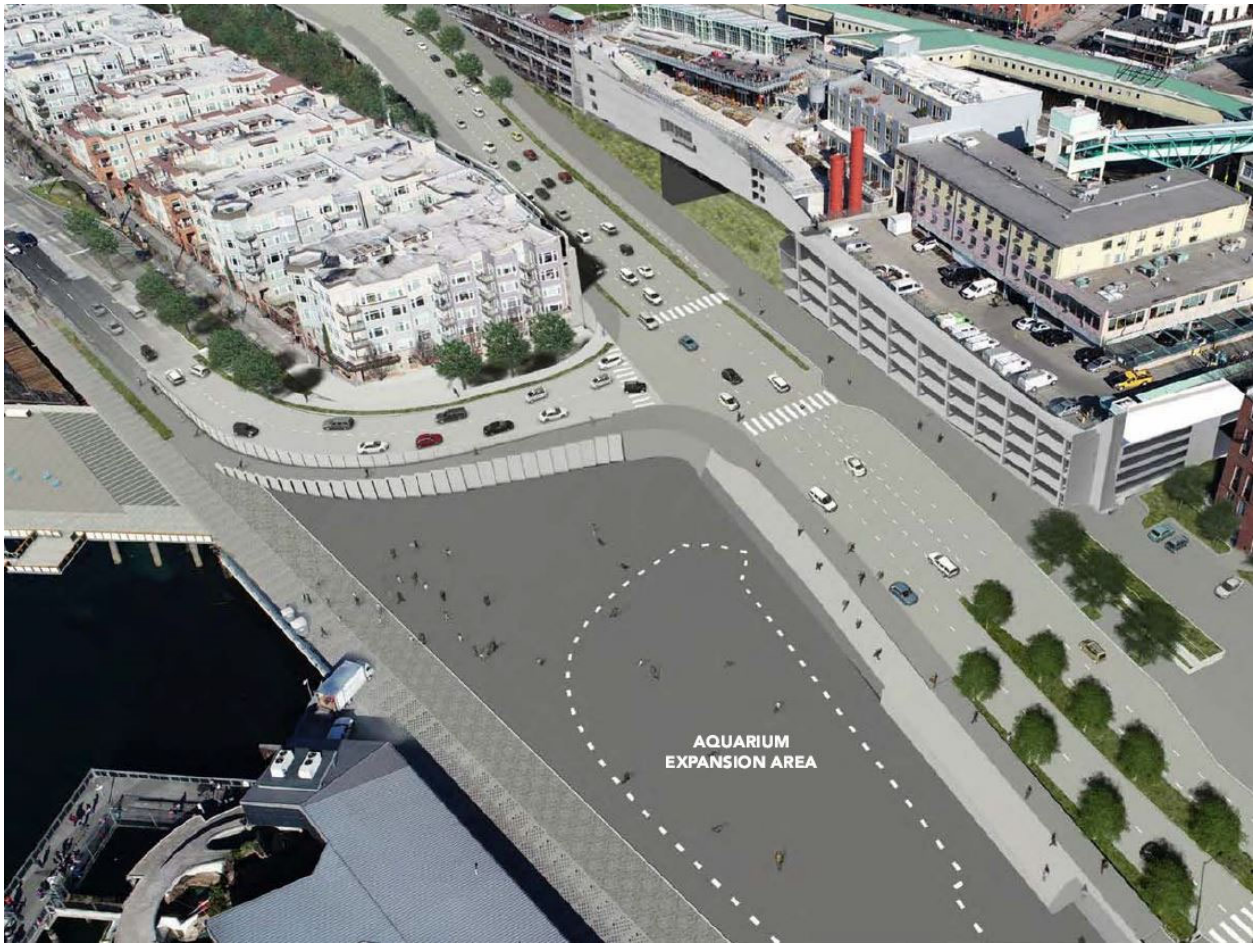
Overlook Walk

Current access to the waterfront from the Pike Place Market is the Pike Street Hill Climb, a series of steps or by elevators from the Skybridge to the Market Garage. These access points remain unchanged in the after condition.

Before and After

SEATTLE WATERFRONT
SEATTLE AQUARIUM
Alaskan Way
Restore zone
Work zone
Hillclimb
Market Garage
Market Garage
Desimone Bridge
Skybridge
Western Avenue
PUBLIC MARKET CENTER
PIKE PLACE MARKET
Pike Place
To Waterfront

The rendering for the property in the before condition after the Alaskan Way realignment is shown below. The Pike Street Hill Climb and Skybridge/Market Garage elevators would remain as the primary points of access to and from the market. The rendering is a little misleading because it does not include the new $113M Seattle Aquarium pavilion in the before condition. The Project will include $34M in already identified City of Seattle funding as part of the Project outside of the LID improvement cost. The remaining costs will be funded by $60M in private donations and $19M from King County, Washington State and Federal sources. It is expected to be completed by 2024. The rendering shows a “no aquarium” alternative when in reality, it should be in place around the time the LID improvements are completed.



After

The Overlook Walk is the most significant improvement of the project. A pedestrian bridge and landscaped public space will cross over the Elliott Way surface street. It will include substantial public open space connecting the north end of the Pike Place Market with the waterfront. The Pike Street Hill Climb and Skybridge elevators are still in place in the after condition, and the aquarium improvements are shown as completed.

2. General versus Special Benefits

General benefits are easy to recognize such as an improved system of highways, or regional airport or new ferry terminal, since everybody in a community benefits from that improvement. General benefits are those that accrue to an entire neighborhood, community or region.

Special benefits are more difficult to define. They add value to a property because of a specific improvement as distinguished from those enjoyed by the public. Special benefits are easy to recognize when there is an actual physical improvement to a property, such as when water or sewer lines are installed, or a storm water retention system to keep a property from flooding is added, or a new freeway off-ramp serving an area once distant from freeway access is built. The benefit must result directly, uniquely and specifically from the public project to individual parcels.

The Study fails to properly determine that the LID improvements create special benefits to the properties within the LID boundary area. The case examples in the Study provide only anecdotal information about the project's general benefits. It does not employ a traditional "matched pair" analysis that would provide discrete value increase metrics from sale transactions for properties near these projects compared with those removed from the project influence. The proper measure of benefit is to compare like property transactions with and without the variable that is the project.

Moreover, the value increases noted in case studies contained in the report are not reflective of conditions even close to the LID improvement component of the project and are misleading. Virtually every case example cited in the Study are substantially more impactful than the LID improvement project. The High Line in New York City, for example, was an abandoned and unused elevated railroad that was a barrier and blight to the adjoining properties. The project improvements were so substantial, that it is now one of the more noted gentrification initiatives in the country. The Rose Kennedy Greenway in Boston also brought a major change to the area. The surface interstate highway was put underground and converted to a regional park. Not only had the interstate generated noise, it had posed a physical barrier that separated neighborhoods, whereas the project eliminated the noise and allowed for recreation and walking between neighborhoods.

We researched the case studies cited in both the Study and referenced HR&A reports. The changes in the condition before and after were so substantial that they dwarf the difference between the condition of the property before and after the LID improvements, and are not credible sources for opinions of value. Examples of the case studies used in the Study are discussed below.

Tom McCall Waterfront Park, Portland OR

Before
The original 37-acre park was completed in 1984. The park was doubled in size following its southern expansion in 1999, resulting in a public space that spans about 1.5 miles on the west side of Willamette River. While the park offered water views, the park itself and the immediate neighborhoods adjacent to the park, and extending north and south from Burnside, were considered unsafe and not attractive. Upgrades were needed to the seawall. Public events such as the Saturday Market and the Portland Blues Festival were established.

After
Redevelopment of the park was completed in 2011. The primary arterial, Naito Parkway, was reconfigured and overall improvements to the park included new pathways, public gardens, fountain upgrades, and construction of three plazas for events. Salmon Springs Plaza on the north end allowed for the expansion of the Saturday Market. A waterfront esplanade extends the full length of the park from RiverPlace Hotel on the south end to the Japanese-American Historical Plaza on the north. Coinciding with park renovation were new housing development projects (The Yards) and upgrades to trees, sidewalks, and signage on adjacent access streets. Perception has changed from unsafe and limited upside to a marketable destination. While these improvements are superior to the condition of the property before, it's not clear that values have increased because of them.

Rose Kennedy Greenway, Boston MA

Before
Elevated JFK Expressway separated the east and west portions of town for 1.5 miles. Downtown was disconnected from the Waterfront. The expressway was demolished and I-93 was relocated underground following the Big Dig that started in 1991. The result was a cleared, graded site, with gravel and no enhancement factor, but the neighborhoods were at least connected.

After
Independent non-profit, The Greenway Conservancy was established in 2004 to guide development and raise funds via endowment. The 17-acre park opened in October 2008 and can be best described as a linear park that spans over one mile across several Downtown Boston neighborhoods (Chinatown, Fi-Di, Waterfront, and Northend). Only a small eastern portion of the park has waterfront view or access; however, the park did connect Downtown with the Waterfront. Park features include gardens, promenade, sculptures, seating, trees, and greenspace. In 2008, State Legislation established a 50/50 Public-Private-Partnership (PPP), with Greenway Conservancy being appointed steward and operator in 2009. A new agreement was announced in 2017 dictating operational financing. The breakdown includes State/City 20%, New Greenway Business Improvement District (BID) 20%, and Greenway Conservancy 60% generated through private donations.

Hudson River Park, New York NY

Before
500+ acres of West Manhattan with water view but considered as wasteland.

After
After 30 years of planning, Friends of Hudson River Park were behind the effort to redevelop. Completed in the early 2000s, this project led to the complete redevelopment of the neighborhood. Park features included sports fields, recreation, walking and bike paths, waterfront promenade, and other amenities. Dramatic change in land use, private investment, and politics were required to make this project so. The project magnitude was well beyond the Seattle project.

The Embarcadero, San Francisco, CA

Before
Post-Earthquake (1989), the city demolished the highway in 1991. The Bayfront was disconnected from Downtown San Francisco and considered under-utilized. This area of San Francisco was considered an industrial service corridor.

After
Complete transformation; however the park project coincided with demolition opening once blocked waterfront view. This was around the time of the economic boom associated with the 1990's economy and Dot-Com era. All work was completed by early 2000's. City streets connected to the Embarcadero, a boulevard that runs along the waterfront, and sidewalks offered immediate waterfront and park access. Led to easier access to southern bay front and redevelopment of SOMA, (south of market), AT&T Park, and the new Arena, etc. This is a dramatically different level of improvement than those that will be realized from the LID improvements.

Millennium Park, Chicago Il

Before
Existing Grant Park and location in between downtown and major highway. This area was home to the Illinois Central rail yards, parking lots, and vacant underutilized land.

After
The rail yard was converted to one of the world's largest green roofs. New park features include significant green space, major art installations such as the Bean, skating rink, pedestrian bridge, theatre, promenade, and an outdoor auditorium. The park is operated by the Chicago Department of Cultural Affairs and managed by MB Real Estate. The total cost of the park was $475MM, equating to three times its original $150MM budget; however, it has become the number one tourist attraction in the Midwest, as of 2015.

False Creek Viaduct Replacement, Vancouver BC

Before
The Southeast False Creek project is the third and final segment of the waterfront revitalization plan. The City owned 80-acre area has historically been industrial with significant areas of undeveloped land. It is also the location of the aging Georgia and Dunsmuir Viaducts.

After
The City plans to demolish the viaducts and through private and public funding rezone and designate the entire area for redevelopment including new road infrastructure, opens space and development sites. There will be defined districts – Events and Entertainment District, Park District and Main Street District, each with development expected to provide the development of several million square feet of office and hundreds of multifamily housing, along with supporting retail uses. This redevelopment will have a dramatically different scale of impact to property values when compared with the LID improvement component of the larger Project.

High Line, New York City, NY

Before
Elevated rail infrastructure built in 1930's. The southern section was demolished in the 1960's, with last portion of demo in 1991. Remaining section spans from Meatpacking District, extending north through West Chelsea. Abandoned warehouses, lots of graffiti and area considered an eyesore. By 2006, an area of West Chelsea was rezoned to a special district to accommodate a public park. CSX, a supplier of rail-based freight transportation in North America, donated the right-of-way and infrastructure in 2005. Ground broke in 2006, first segment opened in 2009. In 2012, the second segment was completed (20th - 30th) and zoning changes were approved to allow the third segment to open in 2014 (30th - 40th).

After
The completed product is a 1.45-mile long greenway maintained and operated through a public/private partnership between Friends of the Highline and NYC. The space is considered a tourist destination. In addition, the High Line is used to support many public programs including teen-engagement, art, and performance.
From an economic standpoint, real estate values near the park were driven up by speculators during the planning and development phases. The park is now an anchor and tourist attraction in the West Chelsea and Meatpacking Districts. Property values and retail/condo markets have experienced significant positive benefits.

According to Friends of the High Line co-founder Robert Hammond, the High Line "gets too much credit and too much blame" for the redevelopment of West Chelsea. The park development coincided with the rezoning of West Chelsea, with no affordable housing mandates. This led to gentrification and outpricing of the local community, including art galleries and businesses, due to people moving in from Manhattan. These issues led to an extended debate over income

inequality etc. Many cities have followed and completed or proposed elevated parks due to the overall positive impact of the High Line (Jersey City, Chicago, Philly).

Buffalo Bayou Park, Houston TX

Before
Buffalo Bayou Promenade was completed in 2006, establishing a 23-acre recreation area with 1.4 miles of hiking and biking trails that connects from West of Downtown to the Theater District.

After
Buffalo Bayou Park was completed in 2015 and established the new park immediately west of the promenade. This project added 160 acres of new parkland stretching 2.3 miles. Park features include a dog park, greenspace, gardens, restaurants, and an art space. Since 2015, this area has experienced three significant flood events. In 2017, Hurricane Harvey caused devastation and significant damages to property in the adjacent neighborhoods.

Atlanta Beltline, Atlanta Georgia, GA

Before
Vacant land including parking lots, demolished buildings or what remained of old foundations, vacant land, crime, and considered an eye sore. Some trails (The Westside Trail) and bridges that spanned the topography.

After
Partnership formed in 2005 to transform the area into a destination. First portion opened in 2012, with completion in 2014. The completed park offers a major pedestrian path for walking, running, and biking, and trails that connect to other areas of the city. Notably, the Eastside Trail extension broke ground in 2016 and was completed in 2017, which connected two disconnected railways. Funding sources for this portion included a $3MM Woodruff Foundation grant, Beltline Tax Allocation District, The Kendeda Fund, and Waterfall Foundation. The redevelopment of this area has resulted in significant multifamily development around the trails and recreation space, including the “Edge” project near the new proposed Edgewood Avenue Bridge, which is to be added following the project. This project essentially is continuous.

11th Street Bridge, Washington DC

Before:
Existing 11th Street Bridges. Construction began in 2009 on replacement bridges, new ramps, and interchanges. Phase 1 completed in 2013; Phase II completed in 2015.

After:
Breaking ground in 2021, the elevated park is proposed for construction atop the existing piers of the former 11th Street Bridge. This project is designed after the High Line in NYC. The finalized product will include art and performance spaces, recreation areas, plazas, urban farming plots, an amphitheater, and greenspace. The completed park will help connect Wards 7 and 8 to the rest of the city. Much of the hype is over the bridge design of the superstructure. Other issues have arisen over potential gentrification.

Willoughby Plaza, New York City NY

Before
Vacant land owned by Marriott. There was significant traffic congestion near Downtown Brooklyn and the Brooklyn Bridge. The project area included an active use shared pedestrian/bike/vehicle street, parking lot underutilized vacant land.

After
Land was donated by Marriott as part of the renovation to their south tower completed in 2013. Street access was eliminated and this area designated an outdoor plaza. Marriott retains the ability to use the space as additional function space. Pedestrian traffic and access increased. Storefront retail businesses and restaurants saw positive impact. There was no revenue impact to Marriott from the project.

3. LID Boundary Area

There is no justifiable basis or support for the LID boundary areas as they have been determined. The primary improvements of the Project will be along the waterfront and near Pike Place Market, not away from the water. LID improvements, as identified by the City of Seattle, extend up the Pike/Pine corridor, and from Alaskan Way into Pioneer Square. But these improvements appear to be more of an improvement program to neglected streets, not part of the larger LID project.

It is unreasonable to conclude that properties in the north end of the boundary area will receive any benefit from the LID improvements. On the south end, neither T-Mobile Park (Mariners) nor Century Link Field (Seahawks & Sounders) will ever realize an increase in value from any part of the Project, let alone the LID improvements. Stadiums like these are bound to contracts that will not allow the property value to increase. The Seahawks games sell out every year, and fans will not pay more for a ticket or be drawn to the area because of these improvements.

Even if one were to accept there are special benefits, they would only accrue to properties closest to the Promenade and Overlook walk. However, the Study fails to provide sufficient evidence that even those properties would receive any special benefit from the LID improvements. The formation of the LID boundary in the study is arbitrary with the incremental value increase along boundaries so nominal that their inclusion to the study is well beyond the margin of error in rounding.

Waterfront Seattle
Project LID Boundary
LID Analysis Parcels
LID Construction Areas
Waterfront Seattle Project Area
Waterfront Seattle Project LID Boundary

4. Inequitable Analysis

The property uses within the LID boundary area are diverse and the Study fails to provide equitable value allocations. Vacant redevelopment site values are significantly lower than improved property value estimates passing the assessment burden to these higher value properties. This creates inequities on how the assessments are allocated as shown in three examples presented below. The sites should instead be analyzed on the common denominator of assessment per sq ft of land area.

The first example of the inequitable valuations is two nearly identical sites between Alaskan Way and Western Ave. Cyrene Apartments is a recently completed 17-story mid-rise apartment complex along the better part of the Seattle waterfront. One block south is a redevelopment site with nearly identical site characteristics that could be developed with a similar mid-rise apartment complex. The difference between the values and assessment allocation between the two properties is substantial. The improved property will be burdened with an assessment of $932,361 or over four times the assessment of the development site.

Example #1	Land SF	Zoning	Value Before	Value After	Value Increase		Assessment	$/SF Land
Cyrene Apartments 50 University 7666202450	15,413	DMC 170	$101,209,000	$104,242,000	$3,033,000	3.0%	$1,188,396	$77.10
Surface Parking 1101 Western Ave 7666202506	14,156	DMC 170	$18,757,000	$19,413,000	$656,000	3.5%	$257,035	$18.16

The next example is for property in the northern portion of the LID boundary area. The Amazon Office property is an older but functional 7-story office building. Directly across the street are three parcels that combine for the equivalent of a similar sized redevelopment site. The assessment for the Amazon Office property is three times that of the development site.

Example #2	Land SF	Zoning	Value Before	Value After	Value Increase		Assessment	$/SF Land
Amazon Office 1903 Terry Ave 0660001255	42,360	DMC 340/ 290-400	$127,103,000	$127,303,000	$200,000	0.16%	$78,364	$1.85
Development Site	13,334	DMC 340/	$21,334,000	$21,356,000	$22,000	0.1%	$8,620	
1906 Terry Ave to	14,160	290-400	22,656,000	22,679,000	23,000	0.1%	9,012	
1001 Virgina St	14,160		22,656,000	22,679,000	23,000	0.1%	9,012	
0660001512, 25, 30	41,654		$66,646,000	$66,714,000	$68,000		$26,644	$0.64

The last example is the comparison of sites closer to the downtown core where the highest densities are allowed. The 27-story Olivian Apartments were built about 10 years ago. Immediately south are two nearly identical parcels, one interior and the other a corner lot. A comparison of these properties show that the Olivian Apartments are burdened with an assessment nearly four times that of the two redevelopment sites.

Example #3	Land SF	Zoning	Value Before	Value After	Value Increase		Assessment	$/SF Land
Olivian Apartments 809 Olive Way 0660000835	13,160	DOC2 500/ 300-550	$160,493,000	$161,295,000	($802,000)	0.5%	$314,241	$23.88
Old Bldg/Surface Pkg 1618 8th Ave 0660000820	14,160	DOC2 500/	$25,488,000	$25,679,000	($191,000)	0.75%	$74,838	$5.29
Surface Parking 802 Pine St 0660000804	13,200	300-550	$23,976,000	$24,156,000	($180,000)	0.75%	$70,528	$5.34

It is very apparent there is a disparity between how the study has treated properties already improved with those that will likely be developed in the near term. There is an inequitable allocation of the LID assessment. The owner of the development site will enjoy a significant value advantage into perpetuity compared with the owner of the improved property.

Moreover, there are no latecomer fee provisions in the analysis. These are often used to help reimburse the agency or funding source for the cost of a development. They are very common in utility infrastructure improvements. It allows the property owner to defer the cost of paying for the improvement to when the benefit is actually realized.

An alternative and more equitable value allocation approach would have been to measure the value increase based on the underlying land value, a common denominator for all properties in the LID boundary area. Under that approach, it is doubtful that the Study would conclude that there are value increases due to the LID improvements anywhere near the $447M conclusion in the report.

5. Mass Appraisal Margin of Error

The value increase from the LID related improvements opined in the Study of 4% or less is within a margin of error for mass appraisals. ABS Appraisal includes 6,238 properties in their study area with a before value of $56,359,239,000. The overall increase in value of all the properties is $447,908,000 or an overall increase of less than 0.8%. The estimated value increases fall within the standard margin of error not only for a mass appraisal, but also for a single property being valued by appraisers armed with all the necessary data not using mass appraisal techniques. It's simply impossible to adjust changes in property values with this level of precision. There are so many impactful elements requiring adjustment such as building age, location or site characteristics that would overwhelm and more than offset the implied value increases estimated in the Study. Determining such small value increases with this level of precision is simply impossible in the realm of traditional appraisal practice. The increases in value estimated in the appraisal are so small they are remote and speculative.

6. Values are overstated

We analyzed about a dozen hotel properties in the Study area. The properties are overvalued, some by as much as almost 100%.

There are other examples where the Study fails to consider certain deed restrictions, or title encumbrances. We know of a site that has a small commercial building in the downtown core

that has sold the development rights thus preventing development, yet the property was valued much higher as a redevelopment site. There is another property along Pine St. valued as a redevelopment site, apparently with no development restrictions. However, it is above the Sound Transit light rail tunnel. That prohibits excavation for below grade and requires extraordinary foundation construction that will limit development height to somewhere around ten stories, well below the site's maximum development potential of up to 550 feet, which was used in the Study.

These omissions bring question to the reliability of the other property value conclusions in the Study.

7. Economic Studies

The Study relies on three economic studies as support of property value increases because of the LID improvements. These include an updated study "Beyond Real Estate Increment: The Value of the Central Seattle Waterfront" prepared by HR&A Advisors, "The Impact of Parks on Property Values: A Review of the Empirical Evidence" study by the Department of Recreation, Park and Tourism Sciences at Texas A & M University", and "The Economic Benefits of Sustainable Streets" published in 2014 by the New York City Department of Transportation.

The first study explains the economic, fiscal and community benefits of the waterfront project. The study focuses on the larger waterfront Project and does not differentiate between the larger Project and the incremental value increase associated with or without the LID improvements. It simply is a study discussing the economic benefits from the Project. It also confirms that the improvements in their entirety reflect general benefits to the community and region, not special benefits by citing a $1.1B one-time economic impact because of the construction of the Project, $288M ongoing economic impact, 2,385 permanent jobs and $10M in ongoing local taxes. These accrue to the community and region, and are general, not special benefits.

The second study compares neighborhoods with and without a park, a more definitive distinction than the Study is trying to identify. The primary focus of this second study is to measure increases in sales revenue resulting from these new park projects. While it also considers other elements such as storm water runoff, air quality and health benefits, there is no documentation that these benefits directly lead to increases in property values. Further, the study additionally appears to imply these benefits accrue to the larger community rather than properties specifically adjacent to the park. This is support that the benefits generated from these park improvements are general, not special benefits.

The last study considered focuses on road improvements or street beautification projects in New York. The study compares unwelcoming, traffic-dominated corridors to safer, more attractive public spaces that better accommodate all users. The study focuses on safety, access/mobility, economic vitality, public health, environmental quality and livability/quality of life. The economic component is based on full availability of retail sales tax filings, limited data on commercial leases and rents, along with data on assessed market values. It is not based on real estate transactions and market sales. And while the results imply general increases in retail sales, it does not substantiate that this directly results in increases in property value. Again, there is no support that these result in special benefits, and in fact they are general benefits.

8. Summary

As stated in the accompanying appraisal review, it is our conclusion that the assignment results in the Study are misleading and do not provide the necessary evidence to provide credible opinions of property value increases before and after the LID improvements are in place. The appraiser has failed to provide the proper support to conclude that the LID improvements provide special benefits to the properties in the LID boundary area, in contrast to the more common general benefits that park improvements typically create for the larger community and region.

The Study determines special benefits based on case studies that represent completely different neighborhood settings. As explained in the attached exhibit, every case study considered was in a significantly inferior condition before the project improvements were installed. Most are significant urban renewal projects that have changed the landscape of surrounding neighborhoods and communities. This contrasts the Seattle waterfront that even today, is a very desirable community asset with views to the west towards the Puget Sound and the Olympic Mountains. As part of the Viaduct removal, the City must restore the waterfront with roads, sidewalks, landscaping and other streetscape improvements regardless of the LID improvements. The LID improvements marginally add to what would already have been a very desirable property condition before the improvements. The case studies in the Study starkly contrast with the level of benefit that the LID improvements will provide.

Further, the economic studies considered in the Study focus on the overall benefit of the project rather than the incremental impact that the LID improvements provide. None represent a fair representation of incremental property value impacts as it relates to those contemplated from the LID improvements. And the studies focus on benefits to a larger study area than those established in the LID boundary area.

The estimate of value increases are so small it is virtually impossible to estimate at the level of precision implied in the Study. The value increase estimates of 0.5% to 4.0% are below the margin of error typically accepted within real estate appraisal practice.

Provided by Client

Crompton Model (Crompton 2004, pp 19-21)

1. The area of proximate impact of a park should be limited to 500 feet or three blocks. The empirical results suggest this is likely to capture almost all the premium from small neighborhood parks and 75% of the premium from relatively large parks. The remaining 25% is likely to be dissipated over properties between 500 and 2000 feet. Disregarding this will lead to an underestimate of the proximate impact of large parks which may be substantial because while the premiums at these distances are relatively low, the number of properties within these parameters is relatively high. However, adopting this 500-foot parameter substantially simplifies the estimation task.

2. Grade each park in the system on the five-point scale shown in Exhibit A ranging from "unusual excellence" to "dispirited, blighted." The grading can be done either by park staff or by a panel of residents familiar with each of the sites. This scale is defined primarily by the emotional response of people in a park's area of influence. It recognizes that a park's quality is defined by people's emotional response to it, rather than only by its physical and tangible qualities. In every community there are fine, physically attractive parks that receive little use, either because the infrastructure or/and land uses around it do not encourage use, or because the behavior of existing users discourages others from using it. Such parks should not score highly on this scale and are likely to be assigned to the "average" category.

Exhibit A Park Quality Scale for Determining Proximate Premiums

Unusual Excellence: A signature park; exceptionally attractive; natural resource based; distinctive landscaping and/or topography; often mentioned in sales advertisements for nearby properties; well maintained; genuine ambiance; engenders a high level of community pride and "passionate attachment."

Above Average: Natural resource based; has charm and dignity; regarded with affection by the local community; pleasant, well maintained.

Average: Rather nondescript; not really "noticed" by the local community; adequately maintained; no distinguishing features.

Below Average: Sterile; absence of landscaping or trees; athletic fields with noise, lights, congestion; intensive use.

Dispirited, Blighted: Dilapidated, decrepit facilities; broken equipment; unkempt, dirty; unofficial depository for trash; noisy; undesirable groups congregate there; rejected and avoided by the community.

3. Based on the results reported in the monograph, the suggested premiums applied to all single family home properties within the 500 foot proximate area for each of the three highest categories shown in Exhibit A are:

   Unusual excellence: 15%
   Above average: 10%
   Average: 5%

   After reviewing the monograph, these may appear low to some readers because several of the most recent, technically strong studies reported premiums in the 16%-22% range. However, these were for the first block immediately adjacent to the park and the premiums declined for properties in the second and third blocks. The proportionate premiums suggested here in stage 3 are averages to be used for all properties within the 500-foot (three block) radius.

4. Apply the percentage premiums suggested above (15%, 10% or 5%) to the aggregate value calculated in step 3.

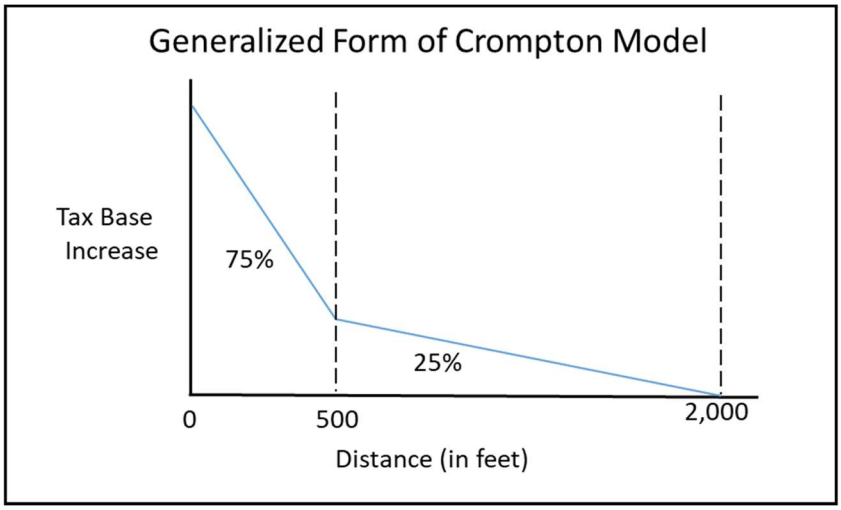
5. Aggregate the premiums calculated for each park in step 4. This figure represents an estimate of the overall change in property value attributable to the parks and open spaces examined.

With regard to step 3 above, I would also direct you to Crompton, Chapter 1: Context of the Issue, the section titled Factors Influencing Capitalization (page 34).

> "It may take 30 to 40 years for new parks to *mature*. In the beginning trees are small and spindly, plantings are scattered and immature, shade is scarce, and the landscaping often is not aesthetically pleasing. Hence, the capitalized premium initially may be relatively small, but if the park is well maintained the premium is likely to increase over time."

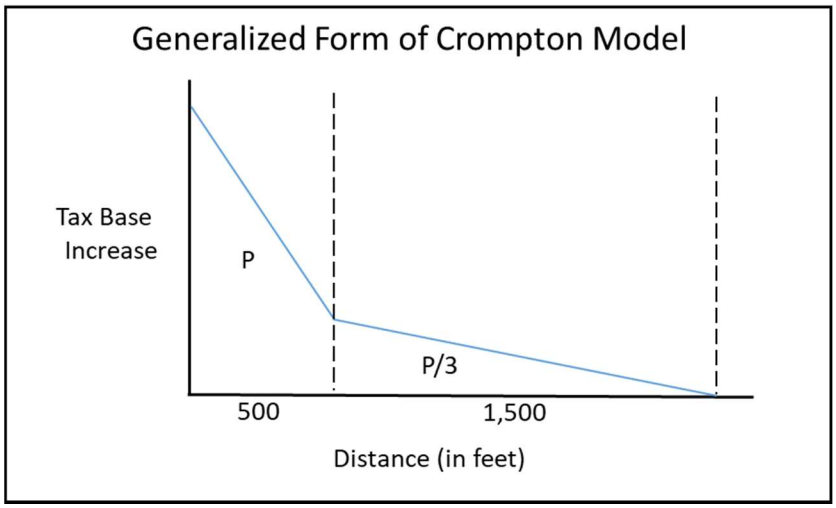
Analyzing the Crompton Model

The Crompton Model can easily be reverse engineered to generate the underlying price increases by property layer within both the 500 feet and the 500 to 2,000 feet zones described by Crompton.



The 25% tail provodes an anhchor for grading the run-off of value over the initial 500' zone. The calculations for deriving The relative points on the graph above are as follows:

Assuming that the LID improvements constitue a large park, take the premium (P) calculated in step 3 on the prior page. It is equal to 75% of the total price increase. One -third of amount , P / 3 is equal to 25% of the price ncrease and is the area of the low zone triangle.



The generalized form is confirmed in several places in John Crompton's work. In his paper *The Impact of Parks on Property values: Empirical Evidence from the Past Two Decades in the United States* (Managing Leisure 10, 203-218 (Octorber 2005) shows this graph.

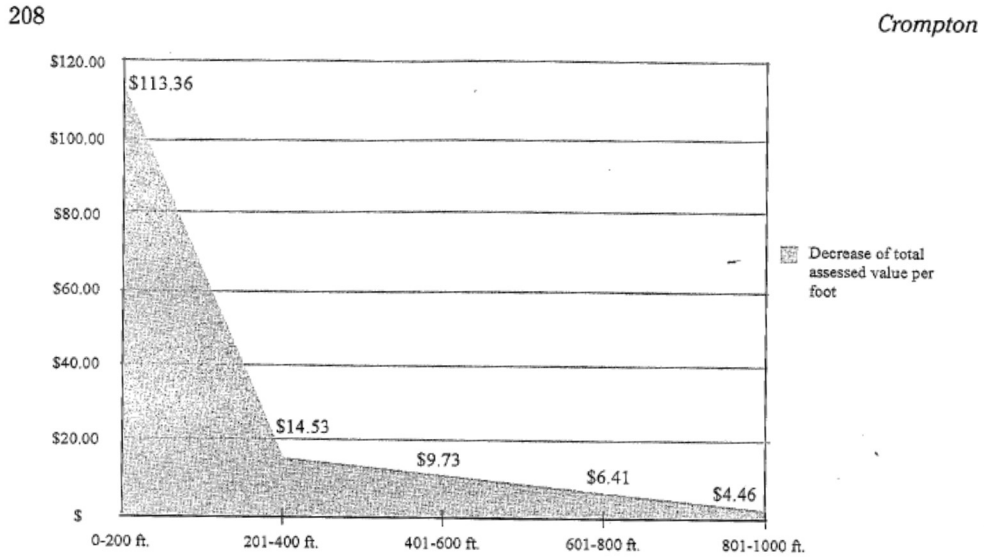
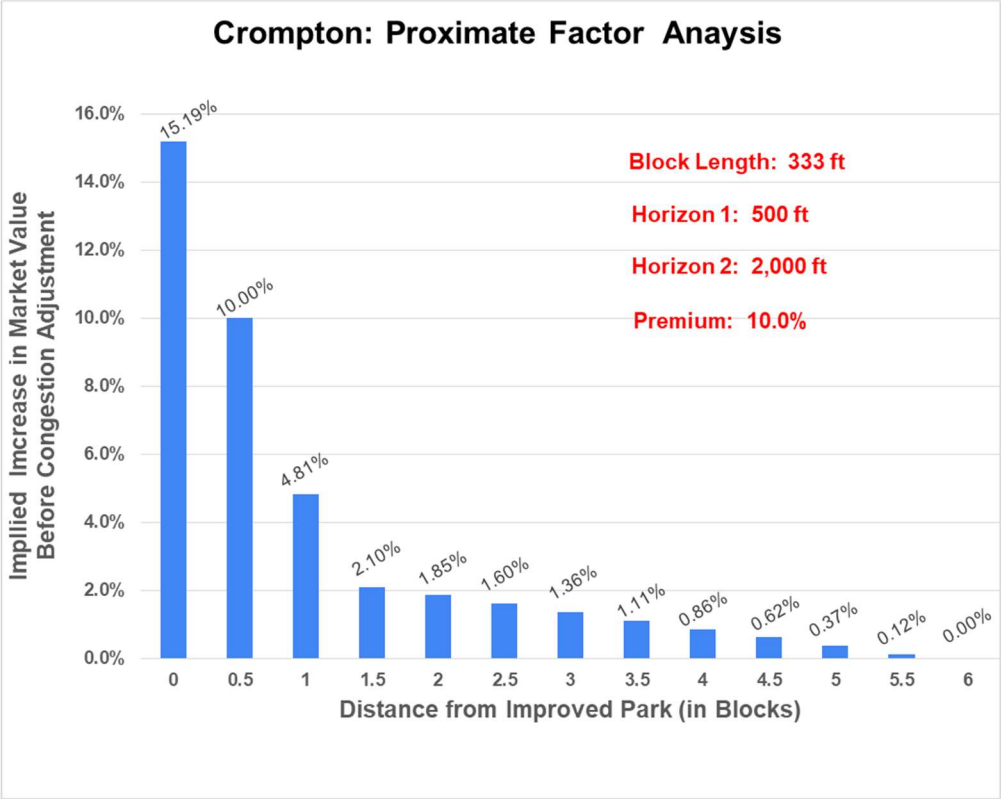


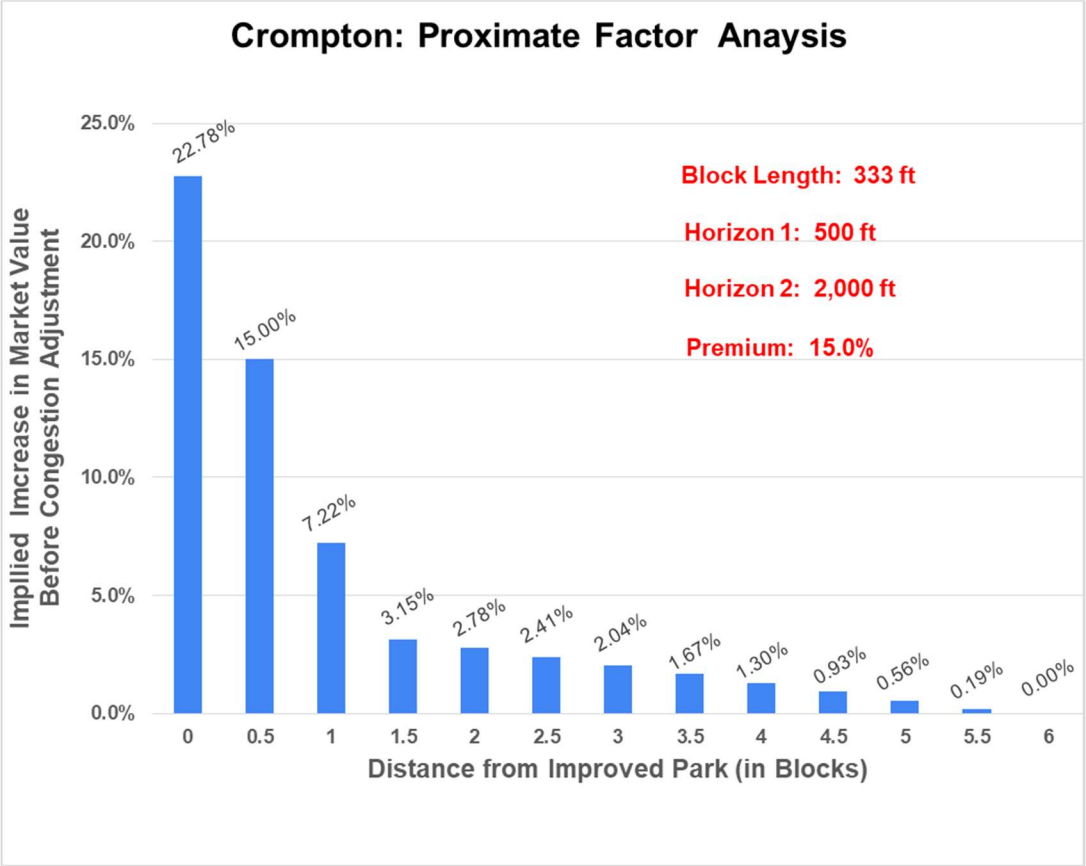
Fig. 2. Decrease of total assessed value per foot (Jackson Park)

Without even going into all of the mathematics, here is a spreadsheet generated version of the model for a 10% capitalization premium (Above Average).



It can easily be verified by checking to see that (1) the average over the first three property layers (500 feet) is 10% and (2) the amount in the tail is 10%, which is one-third of the total amount in the high zone. There is no other continuously reducing piecewise linear solution.

Similarly, here is the spreadsheet generated model for a 15% capitalization premium (Excellent).



The average premium over the first 500 feet is 15%. The total premium over the first 500 feet is 45% and the total premium over the last 1,500 feet is 15%, one-third of 45%.

It is also worth noting that the first block premiums in these two models are 15% and 23% which is in line with Crompton noting studies showing 16% to 22% in the first block.

<u>The outstanding question is what did Crompton mean by "500 feet (3 blocks)"?</u> Extending the high range of the proximate effect would dramatically increase estimated values further form the park. <u>I</u> contend that Crompton meant layers of parcels that could easily be picked up off a mapping system Like the KCA parcel viewer. Since downtown Seattle typically has alleys that separate parcels in each of its 320'x340" blocks. I contend Crompton indicates that the best choice for demarcation of a first horizon would be 3 property layers, 1½ Seattle city blocks or 480 feet, the closest demarcation for a 500' boundary.
The correct answer to the question has significant impact both on the ABS condominium valuations and on their setting of the LID boundaries.

In order to confirm my view I contacted John Crompton via email and on February 6th, 2020. I subsequently sent him a copy of (1) the Study, (2) my submitted objection with pertinent exhibits and (3) a spreadsheet generated output of an earlier version of the model shown above adapted to a first horizon of 640 feet or 2 Seattle city blocks (at this point I had not considered using the alleys as a logical break point) and a 5% capitalization premium. Mr. Crompton responded that "I see nothing inappropriate in the calculations that accompany your submission, but I simply do not have the time to engage in a detailed analysis of them."

I emailed him back, thanking him taking the time to look at my work and asking him to confirm two points: "(1) that 500' feet was the appropriate first horizon, and that his comment on my submission included the chart that was attached as Crompton Analysis.pdf. " He responded on February 8, "I confirm your interpretation of the two points you mention are correct."

I can supply copies of those emails and the associated attachments for you.

Variables Considered

Horizons

I tested three sets of horizons;

1. 480' first horizon and 1,980' second horizon
2. 640' first horizon and 1,980' second horizon
3. 640' first horizon and 2,080' second horizon

Distance

I tested four distances from 1½ to 3 Seattle blocks in ½ block increments

Capitalization Premiums

I tested 3 different capitalization premiums.

1. 2% (ABS' 3.0 % high range for condominiums)
2. 2½% (5% adjusted down for 50% maturity)
3. 3% (ABS' raw pick)

Matching of the 2% and 3% capitalization premiums to ABS is shown in Appendix 3

Results

	3% Maximum Premium		3% Average Premium
Special Benefit % @ 3 Blocks			
	Capitalization Premium		
Horizon	**2.0%**	**2.5%**	**3.00%**
480'	0.27%	0.34%	0.41%
640'	0.46%	0.57%	0.69%
640'/2,080'	0.43%	0.55%	0.64%

Special Benefit % @ 2 1/2 Blocks			
	Capitalization Premium		
Horizon	**2.0%**	**2.5%**	**3.00%**
480'	0.32%	0.40%	0.48%
640'	0.54%	0.68%	0.81%
640'/2,080'	0.49%	0.63%	0.74%

Special Benefit % @ 2 Blocks			
	Capitalization Premium		
Horizon	**2.0%**	**2.5%**	**3.00%**
480'	0.37%	0.46%	0.56%
640'	0.63%	0.78%	0.94%
640'/2,080'	0.56%	0.71%	0.84%

Special Benefit % @ 1 1/2 Blocks			
	Capitalization Premium		
Horizon	**2.0%**	**2.5%**	**3.00%**
480'	0.42%	0.52%	0.63%
640'	1.00%	1.25%	1.50%
640'/2,080'	0.94%	1.18%	1.42%

Conclusions

My analysis confirms John Crompton's conclusions that the estimated impact on property prices from proximity to a park is relatively small beyond the 500' range.

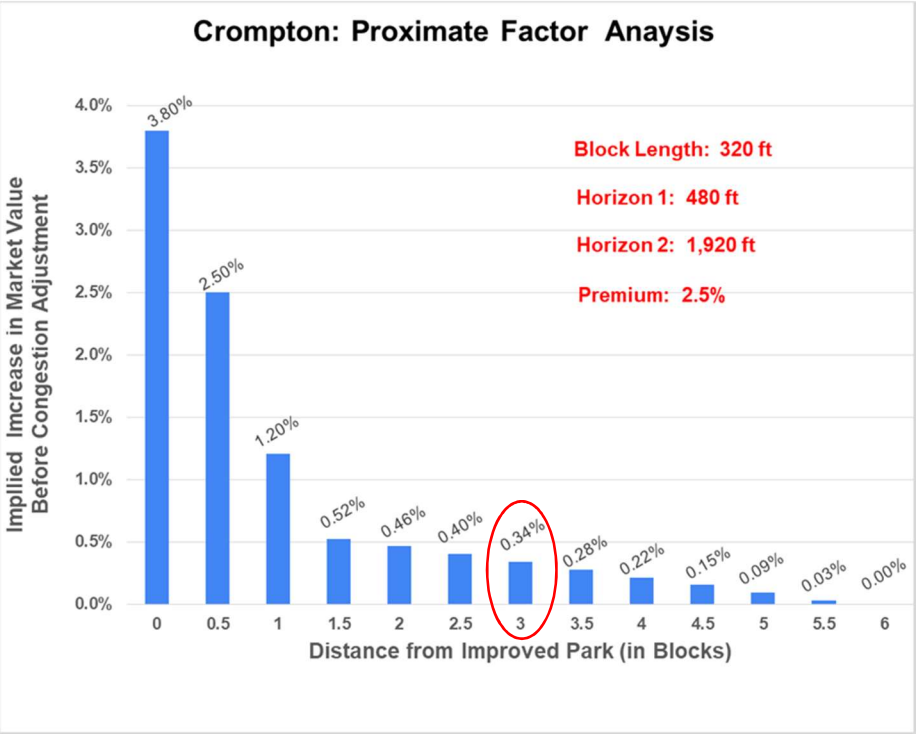
My conclusion is that a 2½% capitalization premium is appropriate. This is based on the LID Improvements raising the before condition of the park from "Average" to "Above Average" and reducing the implied capitalization by 50% for immaturity of the new "park". The "with LID" condition will provide an amenity that is "Natural resource based; has charm and dignity; regarded with affection by the local community; pleasant, [and hopefully] well maintained". It will never reach the level of Seattle's other great parks like Green Lake/Woodlawn Park, Seward Park, Washington Park/Arboretum or Discovery Park.

I considered two different distance measurements:

1. Line of sight to the waterfront (west side of Alaskan Way)
2. Line of sight to the nearest LID amenity (Central Waterfront Park, Pier 58)

Both of these scenarios put Fifteen Twenty-One in the 3 block tier of Crompton's model (maps are provided in Appendix 1. I did not consider distance to the Overlook Walk, which would have moved Fifteen Twenty- One to the 2 block tier. I believe that from a market perspective, neither a prospective buyer nor seller, would consider the Overlook Walk an amenity. It is additional and redundant access. Support for that conclusion is in Appendix 4.

I concluded that the most appropriate first horizon is 480' (1½ Seattle city blocks) and the most appropriate second horizon is 1,980 feet (6 Seattle city blocks). These are that horizons that most closely line up with the Crompton horizons. Model results showed that extending the second horizon lowered the resulting Special Benefit %. Using the tables provided above, I concluded that the appropriate Special Benefit % should be 0.34%.for all Fifteen Twenty-One condominiums.



For my home, tax parcel # 258830850, this yields:

Market Value Without LID		$2,412,200
Special Benefit	0.34%	$8,201
Market Value With LID		$2,420,401
Total Assessment %	39.18%	
Pike /Pine Adjustment	.9375	
Revised Assessment %	36.73%	$3,012

In my objection I have argued that the cost and special benefit of each of the discontinuous improvements (Central Waterfront, Pike and Pine) should have been considered separately. Consistent with that argument my Revised Assessment % reflects the adjustment to remove $10 million of Pike and Pine expenses from the total LID expense of $160 million (both numbers are before any financing and guarantee fund expenses).

This value also disregards any adjustments for the impact of pedestrian and vehicle traffic in the area which I have included in the Pike and Pine Improvements. I value the Pike and Pine improvements as having zero to negative impact of homes in Fifteen Twenty-One. Support for that is provided in Appendix 3 – Pike/Pine.

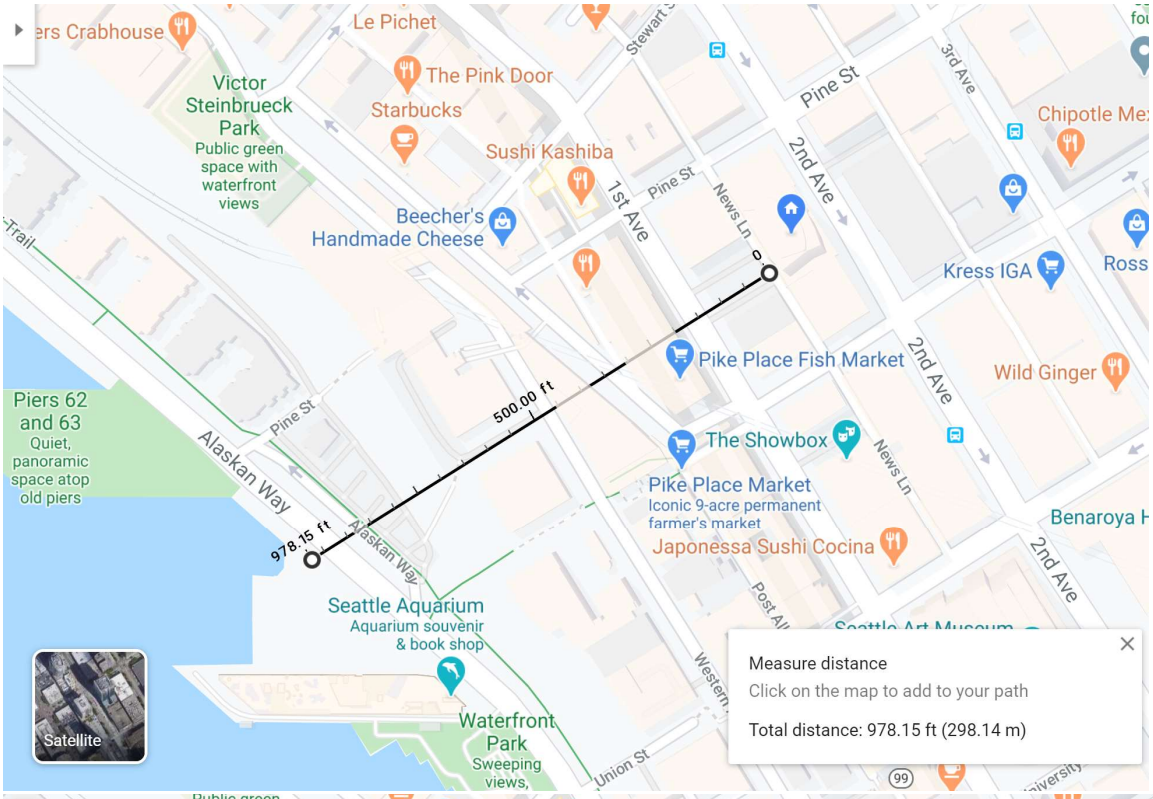
The Waterfront LD Improvements are primarily designed to aid Seattle's tourism business. Even the City's own work shows that there will be no additional utilization of the waterfront by nearby residents. Page 84 of the HR&A study done for the Friends of the Waterfront (provided in Appendix 5) shows the expected usage of the Waterfront by downtown residents at <1%. It shows the net new visitor days for downtown residents at zero. Even for city residents the net new visitor days is .11, which translates to one visit roughly every 9 years. Crompton's model was for community parks and based on their utility to proximate residents. Applying it here, even correctly applied, is generous. How ABS can posit any increase is baffling.

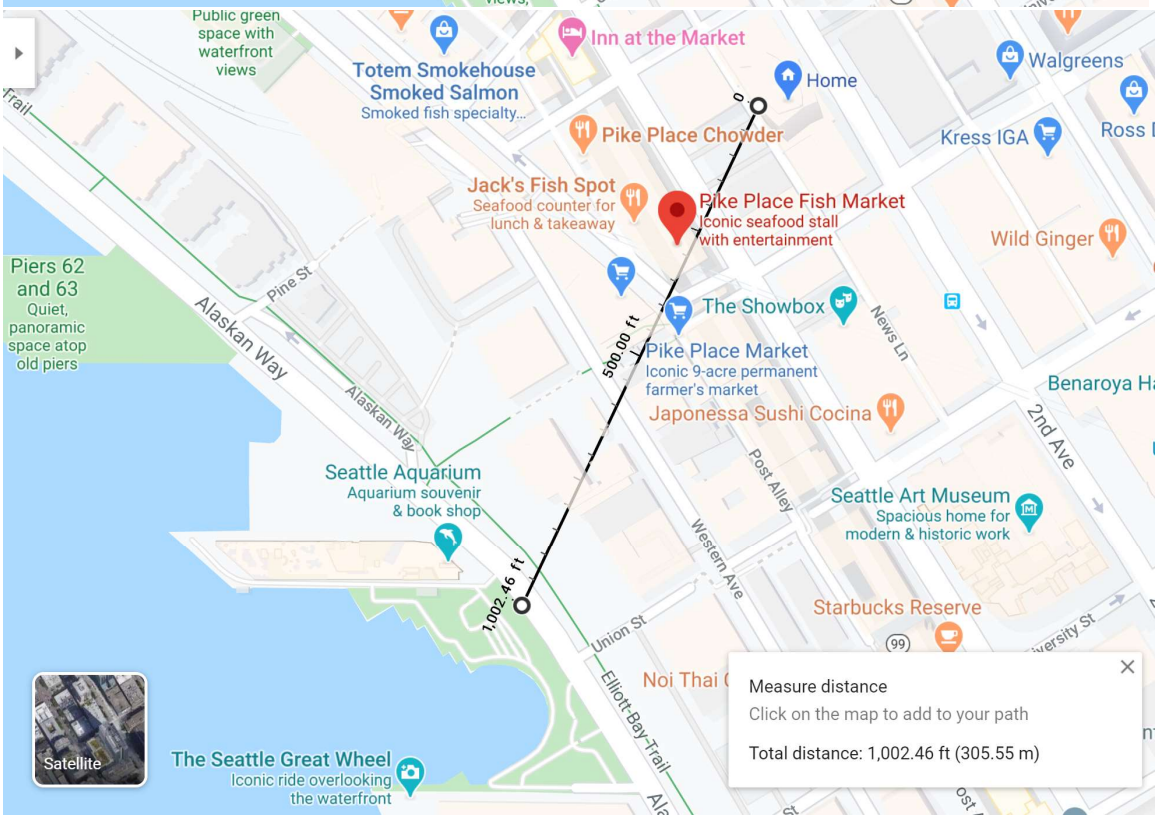
In addition, Crompton prefaced his work with this caveat (my emphasis added):

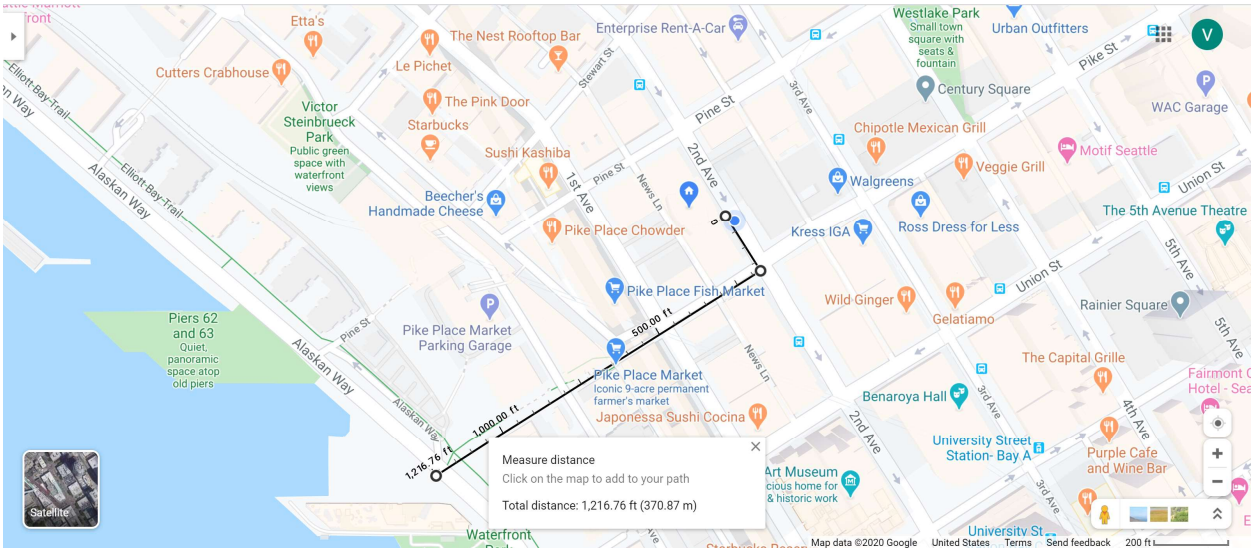
> "Nevertheless, many agencies seek a method of applying a valuation to parks that they can adapt for use in their own communities. An approach is offered here for doing this, **but it is emphasized that this approach can only offer a rather crude "best guess."** The empirical findings from the studies reviewed in this monograph provide a basis for developing a relatively simple "plug and chug" formulary approach that can be used to derive an estimate of the proximate premium in a community.

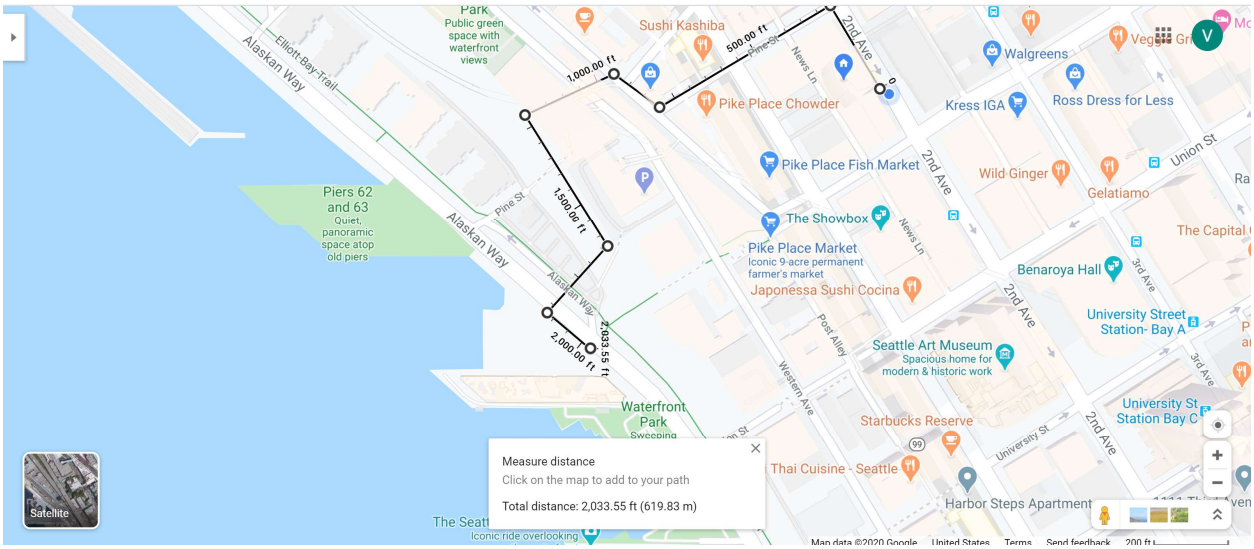
This model was never intended to be used as an assessment tool. If it indicates material increases in prices then, as it was intended, it generates an increased tax base and proximate residents will pay those taxes if and when the estimated price increases are actually realized.

Appendix 1 - Maps






Measure distance
Click on the map to add to your path
Total distance: 1,216.76 ft (370.87 m)
0
500.00 ft
1,000.00 ft
1,216.76 ft
Pike Place Fish Market
Pike Place Chowder
Pike Place Market
Iconic 9-acre permanent farmer's market
Japonessa Sushi Cocina
Pike Place Market Parking Garage
Piers 62 and 63
Quiet, panoramic space atop old piers
Alaskan Way
Elliott Bay Trail
Pine St
2nd Ave
1st Ave
News Ln
Etta's
The Nest Rooftop Bar
Enterprise Rent-A-Car
Westlake Park
Small town square with seats & fountain
Urban Outfitters
Cutters Crabhouse
Le Pichet
The Pink Door
Victor Steinbrueck Park
Public green space with waterfront views
Starbucks
Sushi Kashiba
Beecher's Handmade Cheese
Stewart St
3rd Ave
Century Square
Chipotle Mexican Grill
Walgreens
Veggie Grill
Motif Seattle
WAC Garage
Pike St
Union St
Kress IGA
Ross Dress for Less
The 5th Avenue Theatre
Wild Ginger
Gelatiamo
Rainier Square
5th Ave
The Capital Grille
Benaroya Hall
University Street Station- Bay A
Purple Cafe and Wine Bar
4th Ave
Waterfront
Satellite
Map data ©2020 Google
United States
Terms
Send feedback
200 ft


Measure distance
Click on the map to add to your path
Total distance: 2,033.55 ft (619.83 m)
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1,000.00 ft
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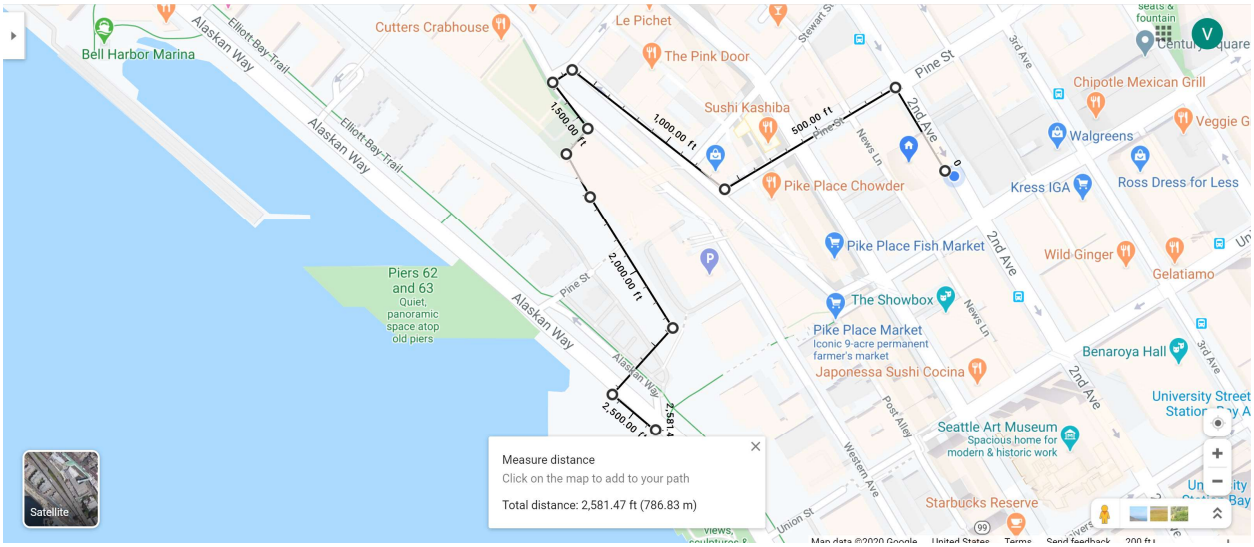
2,000.00 ft
2,033.55 ft
Sushi Kashiba
Pike Place Chowder
Pike Place Fish Market
The Showbox
Pike Place Market
Iconic 9-acre permanent farmer's market
Japonessa Sushi Cocina
Seattle Art Museum
Spacious home for modern & historic work
Starbucks Reserve
Thai Cuisine - Seattle
Harbor Steps Apartment
Waterfront Park
Piers 62 and 63
Quiet, panoramic space atop old piers
Alaskan Way
Elliott Bay Trail
Pine St
2nd Ave
News Ln
Post Alley
Western Ave
University St
Walgreens
Kress IGA
Ross Dress for Less
Wild Ginger
Gelatiamo
Benaroya Hall
University Street Station- Bay A
University St Station Bay C
Satellite
Map data ©2020 Google
United States
Terms
Send feedback
200 ft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500.00 ft
1,000.00 ft
1,500.00 ft
2,000.00 ft
2,500.00 ft
2,581.4
Bell Harbor Marina
Cutters Crabhouse
Le Pichet
The Pink Door
Sushi Kashiba
Pike Place Chowder
Pike Place Fish Market
The Showbox
Pike Place Market
Iconic 9-acre permanent farmer's market
Japonessa Sushi Cocina
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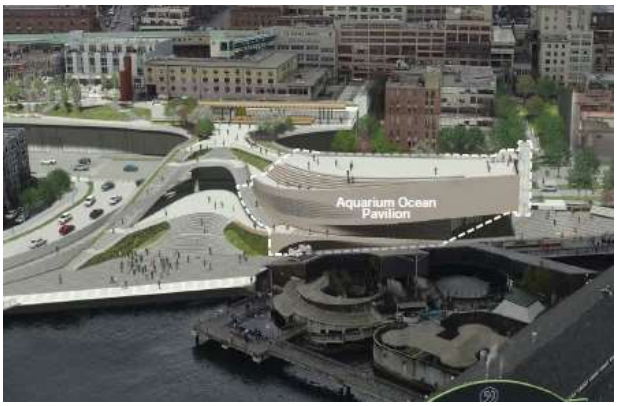
Union St
Stewart St
3rd Ave
Chipotle Mexican Grill
Walgreens
Kress IGA
Ross Dress for Less
Wild Ginger
Gelatiamo
Benaroya Hall
Satellite
Map data ©2020 Google
United States
Terms
Send feedback
200 ft

Appendix 2 - Overlook Walk

The Overlook walk connects the market to the waterfront. That much is clear. It will also provide some expansive views of Seattle's harbor as walk down. However from a market value perspective, whether it constitutes an amenity or not depends on the value attached to it by the user. As the owner of home 2304 in Fifteen Twenty-One, I have this view of the Seattle Harbor.

It stretches from Mt Rainier to Magnolia (I can't see the Space Needle. So would I, or a prospective buyer make a trip to the Overlook walk to enjoy the view? My perspective is that they would not.

In addition, the pictures of the Overlook Walk are misleading. They include the Aquarium Pavilion which has not been built and is not funded by the LID. It must be treated like all of the other in development projects that are in various stages of design, permitting construction within the LID. From a LID perspective the Pavilion doesn't exist. This significantly reduces the claimed open space of the Walk and emphasizes that it is just a path from the waterfront to the market. It is designed to funnel the increasing number of cruise ship passengers from Bell Harbor terminal to the Market and back.



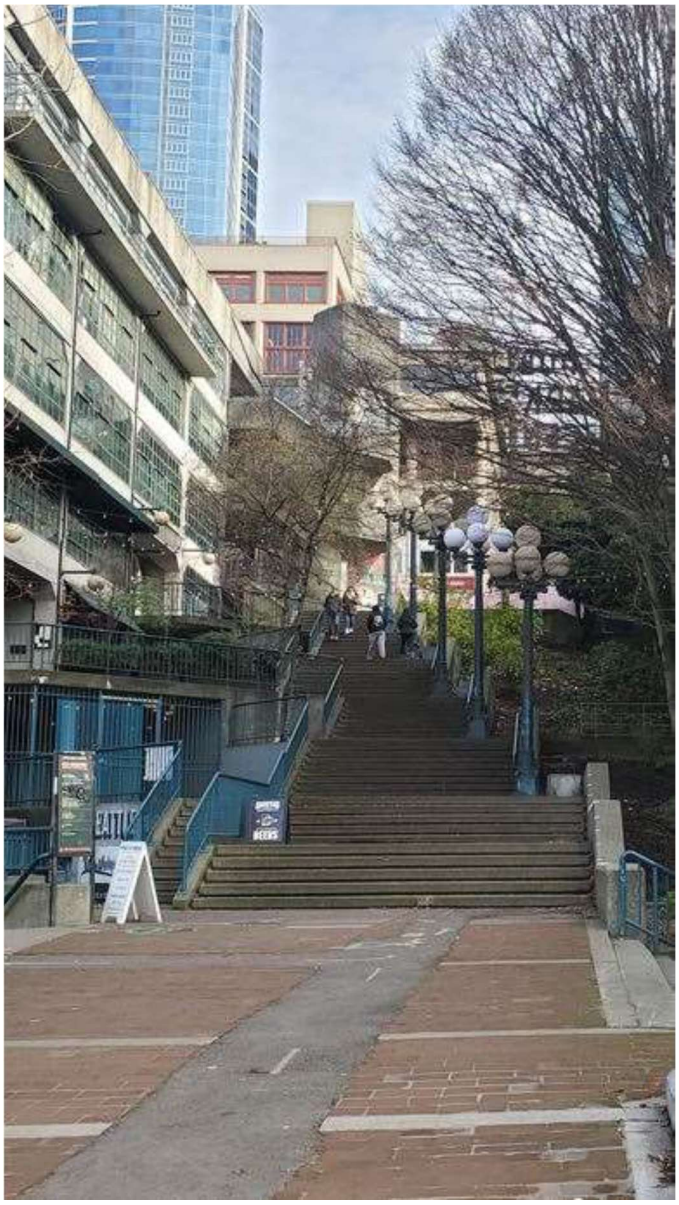
Walking Distance to Waterfront from Fifteen Twenty-One (line of Sight ~1,000')

Pike Street Hill Climb	1,216'
Overlook Walk (Market open)	~2,033'
Overlook Walk (Market closed)	~2,581'

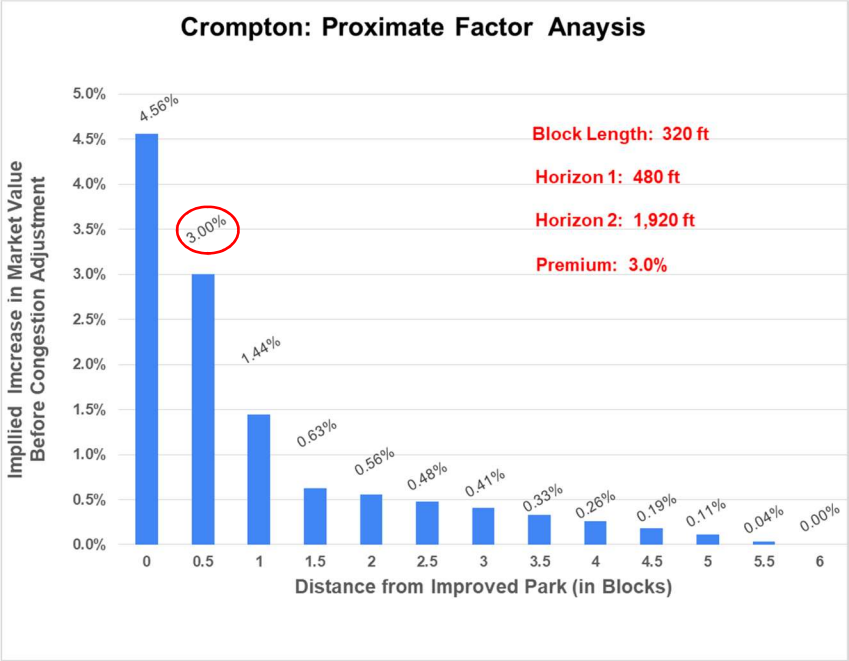
The Overlook Walk is redundant inefficient access.

Pike Street Hill Climb

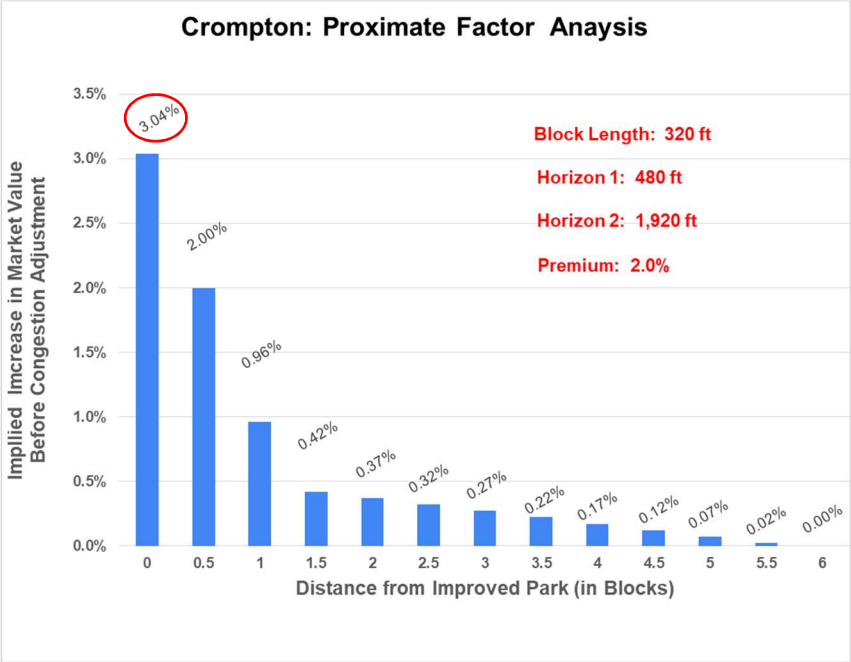
Current access to the waterfront from the Pike Place Market is the Pike Street Hill Climb, a series of steps or by elevators from the Skybridge to the Market Garage. These access points remain unchanged in the after condition.



Appendix 3 – ABS Valuation Premiums



Assuming 3% Average Capitalization Premium

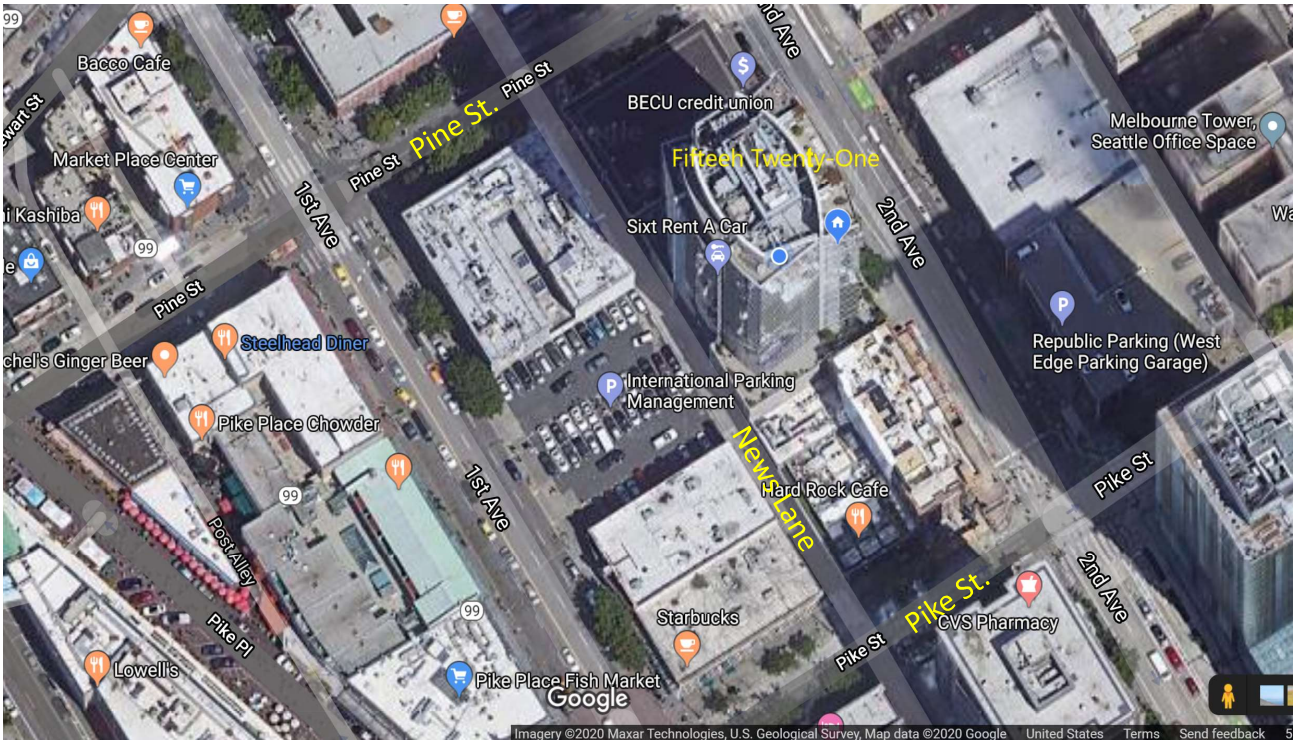


Assuming 3% Maximum Capitalization Premium

Appendix 4 – Pike and Pine

The Study has no cites providing evidence that street beautification projects, such as the Pike and Pine improvements generate any increase in residential properties. The Economic Benefits of Sustainable Streets" published in 2014 by the New York City Department of Transportation, provides only information on retail sales levels and does attempt to estimate changes in real estate prices. I conclude that here is no price appreciation for homes in Fifteen Twenty-One. If the city prevails in consolidating the costs and special benefits of the discontinuous LID Improvements, the negative value of Pike and Pine will have to be quantified and considered in the consolidated assessment.

However, there is a material negative effect that is unique to the location the building. It has two parking garages, totaling 297 parking spaces, with entry/exit at the rear of the building. The upper garage entry/exit is directly onto News Lane, the alley behind the building. The lower garage entry/exit is onto a breezeway with access to News Lane. The Pike and Pine Improvements will turn the streets at both end of News Lane into "shared space" pedestrian plazas.

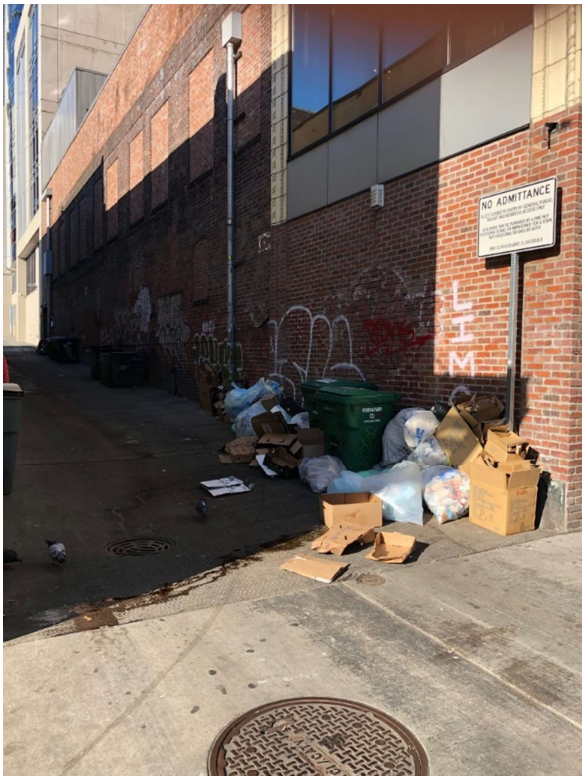


Access in and out of our garages is already an issue. These changes will further constrict access to and from our garages. Service trucks use the alleys and traffic on Pike is heavy, especially at rush hour when traffic coming north on First Avenue turns east up Pike heading for the express lane entrance to I5. On weekends and in summer it will be much more difficult for us and dangerous for the cyclists and pedestrians that we have the responsibility to avoid.

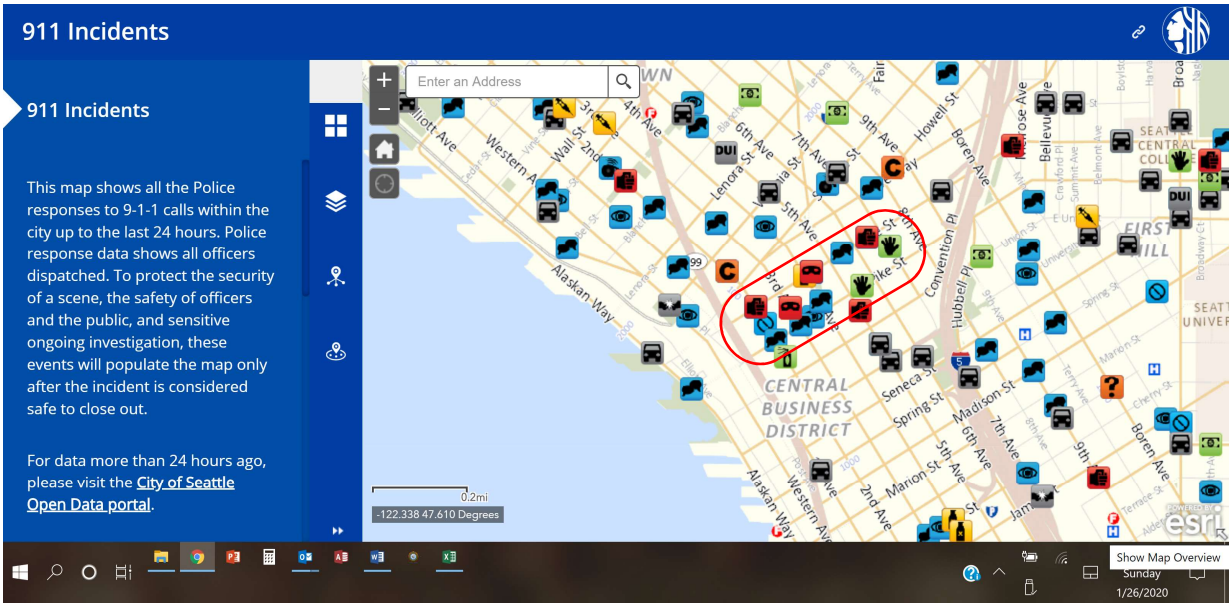
These changes are viewed as a substantial net negative by current residents. Attached is a copy of a recent Seattle Times article on the current importance of parking in downtown luxury condominiums.

Pike St. looking west from Second Ave. It will be many years before the trees mature to look anything this.

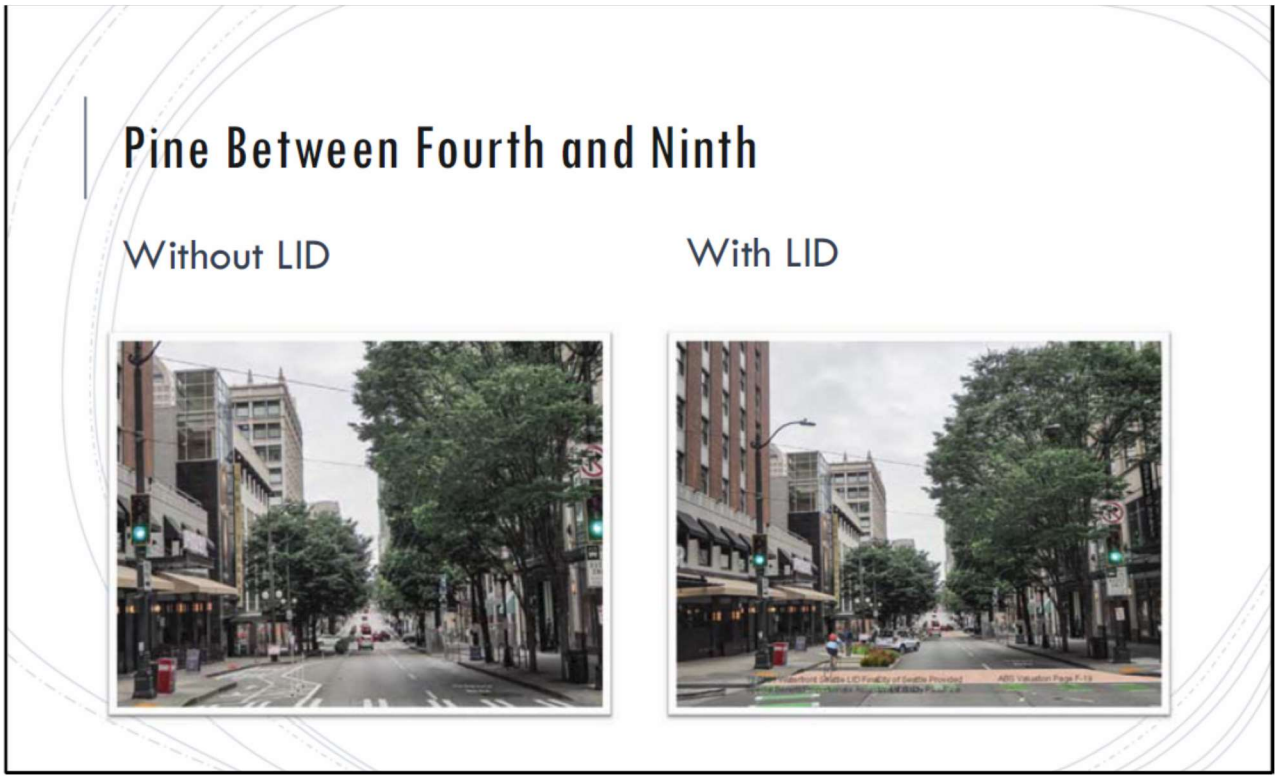
Pine Street looking west from Second Avenue. The reality of the Pike/Pine corridor is much different than pictured above.

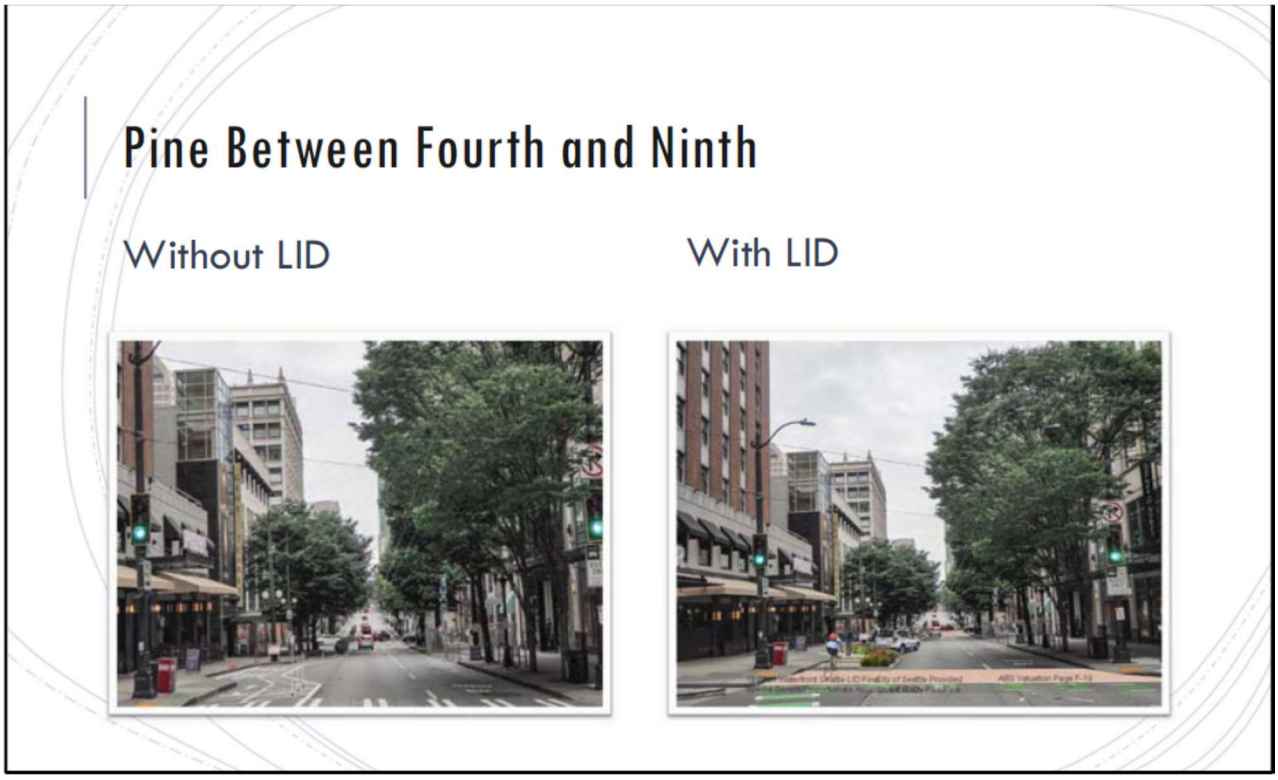


Pike St South Side 2/18/2020



No material visual differences looking east on either Pike or Pine.





Appendix 5 - HR&A Study

ECONOMIC & FISCAL IMPACTS | NET NEW VISITATION METHODOLOGY

HR&A then estimated the share of regional vs. out-of-town visitors, and how much time these visitors might spend in the park.

Visitor Type	Share of 8M Projected Visitors	Net New Visitor Days Per Person	Net New Visitor Days
Regional Residents			
Downtown (park adjacent)	<1%	0	0
City Residents (non-adjacent)	8%	.11	69K
Metro Residents (non-city)	37%	.11	327K
Subtotal	*45%*		*396K*
Tourists			
Day Visitors	28%	.25	566K
Overnight	27%	.25	539K
Subtotal	*55%*		*1.1M*
Total			**~1.5M**

Note: Distribution of visitors, % regional v. tourists, is based on comps from the High Line and Hudson River Park. Distribution of regional residents is based on population distribution. Distribution of day v. overnight tourists is based on 2016 Longwood Tourism Study for Seattle. Net new visitor days per person is based on precedent research on time spent in open spaces by residents and out-of-town visitors, based on an 8-hour day.

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Appraiser's Experience Data

PETER K. SHORETT, MAI, CRE, FRICS

President
Valuation Advisory Services

Peter Shorett entered private appraisal practice with Shorett & Riely in 1980 and was promoted to manager of the office in San Jose, California in 1985 and returned to practice at the Seattle office in 1990. He founded the Valuation Advisory Services division of Kidder Mathews in 1995.

In 1985 Mr. Shorett was awarded his MAI designation by the American Institute of Real Estate Appraisers (now known as the Appraisal Institute) and earned his CRE (Counselor of Real Estate) designation in 1999. He is a certified member of the Commercial Investment Real Estate Institute (CCIM) and has completed the requirements under the continuing education program of the Appraisal Institute. He has served as a Director of the Seattle Chapter of the Appraisal Institute and has served or led on the Candidates Guidance, Finance and Public Relation Committees. He also was appointed Chairman of the Seattle Chapter of the Counselors of Real Estate. In 2008 he became a Fellow of the Royal Institute of Chartered Surveyors (FRICS), the European equivalent of MAI. He serves on the Board of the Runstad Center for Real Estate Research at the University of Washington.

Mr. Shorett specializes in providing valuation and consultation for mediation, arbitration, litigation support and expert witness testimony. He has a wide diversified background in appraisal, market analysis and counseling for the development, acquisition, sale, leasing and financing of major urban real estate throughout the continental Western United States, including the cities of Seattle, Portland, San Francisco and Los Angeles.

Property types studied include apartments, churches, shopping centers, office and industrial buildings, marinas, condominiums, convention hotels, motels, golf courses, parking garages, medical clinics, service stations, residential subdivisions, nursing homes, retirement apartments, vacant land and numerous special-purpose and single-use properties. Mr. Shorett has extensive experience in working with owners whose property is acquired by condemning agencies such as Sound Transit or Local Improvement Districts (LID). Other assignments have included the valuation of leasehold interests, market analysis and lease-up studies for various investors and business groups.

PROFESSIONAL AFFILIATIONS

MEMBER OF Appraisal Institute (MAI)

COUNSELORS of Real Estate (CRE)

CERTIFIED Commercial Investment Member Designee (CCIM)

FELLOW of the Royal Institute of Chartered Surveyors (FRICS)

SELECT CLIENT LIST

Attorney/Law Firms

- Bush Kornfeld
- Cairncross & Hemplemann
- Davis Wright Tremaine
- Dorsey Whitney
- Drumheller
- Ellis Li & McKinstry
- Foster Pepper
- Hansen Baker
- Karr Tuttle Campbell
- K&L Gates
- Lane Powell
- Lasher Holzapfel Sperry & Ebberson
- Miller Nash Graham & Dunn
- Perkins Coie
- Pillsbury Winthrop Shaw Pittman
- Schwabe Williamson & Wyatt
- Stafford Frey Cooper

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COURT EXPERIENCE

United States Bankruptcy Court

United States Federal Court

King County, Washington Superior Court

Kitsap County, Washington Superior Court

Pierce County, Washington Superior Court

Snohomish County, Washington Superior Court

Santa Cruz County, California Superior Court

EDUCATION

BUSINESS ADMINISTRATION, Western Washington University (1980)

PROFESSIONAL LICENSES

STATE OF WASHINGTON Certified General Real Estate Appraiser (No. 1100389)

STATE OF OREGON Certified General Real Estate Appraiser (No. C000599)

STATE OF CALIFORNIA Real Estate Appraiser License (AG014564)

STATE OF IDAHO Real Estate Appraiser License (CGA-3932)

Reciprocal agreements with other states as needed

ADDITIONAL CLIENTS

Corporations/Property Owners

3M Corporation
Albertsons, Inc.
Bekins Company
Bristol Meyers Squibb
City University
Clise Properties
Consolidated Restaurants, Inc.
Delta Airlines
Fred Hutchinson
Gai's Bakery
Goodale & Barbieri
Goodman Financial
Health Science Properties
Hertz Corporation
International Paper Company
KCTS Channel 9
Kilroy Industries
KMPG
Lindal Cedar Homes
Lone Star Northwest
McDonalds Corporation
Miller Brewing Company
Nitze-Stagen
Nobel House Hotels & Resorts
Northwest Airlines
Northwestern Trust
Olympic Resource Management
PACCAR
Pine Street Associates
Portac, Inc.
Rayonier

Attorney/Law Firms Continued

Stokes Lawrence
Stoel Rives
Tousley Brain Stephens
Williams Kastner

T 206.205.0201
peter.shorett@kidder.com

601 Union St
Suite 4720
Seattle, WA 98101

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Corporations/Property Owners Cont'd

- Seattle Seahawks
- Skokomish Tribal Community
- Southland Corporation
- Swinomish Tribal Community
- The Boeing Company
- Unigard Security Insurance
- Union Carbide
- Vulcan, Inc.
- Wesley Homes
- YWCA

Development Companies

- Bentall Corporation
- Lincoln Property Co.
- Opus
- Quadrant
- Sobrato Development Co.
- Trammell Crow
- Wright Runstad & Co

Financial Institutions/Life Insurance Companies

- AETNA Life Ins. Co.
- Amresco
- Allstate Life Ins. Co.
- Bank of America
- CitiCorp
- Coldwell Banker Financial
- Collateral Mortgage
- Crown Life Ins. Co.
- First Horizon
- Frontier Bank
- GE Capital
- Glaser Financial
- Group
- Home Street Bank
- InterWest
- Key Bank
- L.J. Melody & Co.
- Manufacturer's Hanover Trust Co.
- Mellon Financial
- Merrill Lynch
- Morgan Stanley
- New York Life
- Pacific NW Bank
- Sterling Savings
- T. Rowe Price
- The Union Bank of California
- TIAA-CREF
- Transamerica Insurance Co.
- US Bancorp
- Washington Capital Management
- Washington Mutual
- Washington Trust Bank
- Wells Fargo Bank

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Governmental Agencies/Port Authorities/Nonprofits

City of Bainbridge Island

City of Half Moon Bay

City of Kirkland

City of Santa Cruz

City of Seattle

Dept. of Natural Resources (WA State)

General Services Administration

Internal Revenue Service

King County Dept. of Transportation

King County Property Services

King County Prosecutor's Office

Port of Anacortes

Port of Chelan

Port of Friday Harbor

Port of Port Townsend

Port of Renton

Port of Seattle

Port of Tacoma

Sound Transit

The Nature Conservancy

Trust for Public Land

United States Postal Service

Washington State Attorney General's Office

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STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

COPY

CERTIFIED GENERAL REAL ESTATE APPRAISER

PETER K SHORETT
601 UNION STREET #4720
SEATTLE WA 98101

1100389	**01/06/1992**	**04/10/2021**
License Number	Issued Date	Expiration Date

Teresa Berntsen
Teresa Berntsen, Director

PL-630-159 (R/3/16)