

Seattle Waterfront Assessment Hearing

Seattle LID Public Comment Hearing

February 5, 2020



1325 Fourth Avenue • Suite 1840 • Seattle, Washington 98101

206.287.9066

www.buellrealtime.com

Olympia | **360.534.9066** Spokane | **509.624.3261** National | **800.846.6989**

email: info@buellrealtime.com



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SEATTLE WATERFRONT LID ASSESSMENT HEARING

BEFORE

HEARING EXAMINER RYAN VANCIL

Taken at 700 Fifth Avenue, Suite 4000
Seattle, Washington

DATE TAKEN: February 5, 2020

REPORTED BY: Nancy M. Kottenstette, RPR, CCR 3377

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX OF EXHIBITS

NUM.	DESCRIPTION	PAGE
Exhibit 1	Case Number CWF0057	15
Exhibit 1	Case Number CWF0358	24
Exhibit 2	Case Number CWF0358	30
Exhibit 3	Case Number CWF0358	33
Exhibit 4	Case Number CWF0358	33
Exhibit 5	Case Number CWF0358	50
Exhibit 6	Case Number CWF0358	51

1 SEATTLE, WASHINGTON; February 5, 2020

2 9:06 a.m.

3
4 HEARING EXAMINER VANCIL: All right.

5 I'll call to order this February 5, 2020, continuance
6 of the Seattle Waterfront LID Assessment Hearing.

7 Today objections will be heard for hearings on the
8 Case Numbers CWF0057 at 9:00 a.m., and I'll skip the
9 first part of the numbers for the remainder of these.

10 We'll hear Case Number 291 at 9:20 a.m., 358 at
11 9:35 a.m., and combined 192 and 382 at 11:00 a.m.

12 We'll take a break at approximately 10:15.

13 Please make sure that as you testify you have
14 a microphone within about a foot of your mouth. This
15 is for recording purposes. It doesn't really pick up
16 audio for the room.

17 Please state your name and spell it for the
18 record.

19 MR. STEVENS: Robert Stevens,
20 R-O-B-E-R-T, S-T-E-V-E-N-S.

21 HEARING EXAMINER VANCIL: And do you
22 swear or affirm the testimony you will provide in
23 today's hearing will be the truth?

24 MR. STEVENS: I do.

25 HEARING EXAMINER VANCIL: Thank you.

1 Please proceed.

2 MR. STEVENS: I'd like to give you just
3 a little bit of information about the property that
4 I'm representing. I'm a resident of the Waterfront
5 Landings condominium complex. It's a 232-unit,
6 five-story wood frame complex that is located on the
7 Seattle Waterfront between Pier 62/63 and the Bell
8 Harbor Marina.

9 The project was completed in 1998 and included
10 low-income units selling for around 150,000 all the
11 way up to units over 2,000 square feet that were sold
12 in the 800 to 900,000 dollar range. So it was quite a
13 diverse community from an economic standpoint.

14 I served on the board of the community for
15 about seven years, and starting in 2016 we encountered
16 a catastrophic failure of our exterior stucco similar
17 to other complexes in the community. And so we
18 underwent a \$12 million reclad about 25 percent of
19 which was covered, fortunately, by insurance, but the
20 balance was borne by the residents in the form of an
21 assessment.

22 One thing about a residential unit like ours,
23 it doesn't improve with age. And so as we exceed the
24 20-year mark, the money that we have to set aside as
25 reserves for repairs and replacement of our building

1 components continues to increase. So when you
2 consider a purchase in a complex of that age or even
3 older, even though it's in excellent condition, the --
4 this overhang of reserve obligation becomes an
5 increasing liability and a consideration when you're
6 deciding how much you want to pay for it. I mean,
7 this is, I'm sure, obvious to most people here, but I
8 think it bears restating.

9 I'm going to refer to the larger community,
10 because even though we own separate units and I'm
11 simply here representing my own unit, we also hold
12 considerable assets in common, you know, the hallways,
13 the gyms, the conference rooms, the parking area.
14 It's about a \$100 million physical facility as it
15 stands today, and so anything that has a negative
16 impact on any portion of that community really has a
17 direct or indirect impact on my specific unit as well.

18 So I just -- I would ask that, you know, bear
19 that in mind. I've got no particular legal expertise.
20 Preparatory to this presentation, I tried to acquaint
21 myself with all the relevant documents. I tried to
22 read the LID manual that the state follows. Several
23 legal actions are being taken, some analysis that was
24 done several years ago, and, of course, all of the
25 published material that's available on the Waterfront

1 website.

2 My -- I'm not opposed to the Waterfront
3 project, and I'm certainly not opposed to paying my
4 fair share. But my concern is that the basis upon
5 which our assessment is being made, the assessment
6 study that the City commissioned, I believe is
7 defective. And I'd like to elaborate on just why I
8 feel that way.

9 Starting with the page 6 of the summary, it
10 says a unique aspect of this special benefit study is
11 that the analysis does not consider any view
12 enhancement will result in market value increase due
13 to the removal of the Alaskan Way Viaduct.

14 What it also doesn't consider is the fact that
15 the City is going to install a connector ramp between
16 Alaskan Way at the Pine Street -- where Pine Street
17 will exist now, a connector that will connect Alaskan
18 Way with the new Elliott Way that is currently under
19 construction. That connector rises 18 feet at the
20 street level blocking off the first two floors of the
21 entire south end of our complex.

22 And not only does it block the view corridor,
23 but it also will restrict and eliminate some of the
24 dedicated parking that we've enjoyed for the last
25 22 years, guest parking that was for our use. It's

1 also going to limit and slow our access to the south
2 entrance to our parking garage and also poses some
3 restrictions as far as emergency vehicle access,
4 removal of garbage, that sort of thing.

5 So in the balance, from our perspective, this
6 erection of a concrete wall where a previous view of
7 the entire Alaskan Way almost to Pioneer Square, you
8 know, is not a welcomed event. And it's -- it's not
9 considered at all in the -- in the assessment study,
10 and I believe it should be.

11 One of the other issues that I'm concerned
12 about is that in terms of benefit, my reading tells me
13 that special benefit and general benefit should be
14 considered equally in terms of determining any
15 assessment, and that's even mentioned in the
16 assessment study that it distinguishes between those
17 two, that which is primarily for the public benefit as
18 opposed to that that benefits a specific property.

19 And my reading of the state documents and
20 other industry-related issues continues to restate
21 that basic concept. In reading through the entire
22 assessment study, I find no place where it actually
23 takes the trouble to specify that which is general as
24 opposed to that which is special. And I think it's
25 important that that be done. Whether that affects

1 other properties in the LID area, I won't even
2 speculate on, but I believe -- I certainly believe it
3 does in our case.

4 The study also refers to proximity as a -- as
5 part of the process of determining the percent of
6 increase in value that is anticipated. In our case,
7 our condominium complex, presumably because of its
8 location, has been awarded the highest percentage
9 increase of any residential units in the entire LID,
10 3 percent. That's the top. That's the most that we
11 can possibly pay. So whatever our value is today, it
12 assumes that we're going to appreciate by 3 percent.

13 And I can only construe that that's based on
14 our location. You know, we sit on the waterfront.
15 We've been on the waterfront since that complex was
16 built 22 years ago. At that time we've been -- we've
17 certainly enjoyed the view of the Olympics and West
18 Seattle and the bay and the boats coming and going in
19 the marina.

20 If we look to the left, however, you know, we
21 had Summer Nights at the pier for a number of years,
22 which was a great civic attraction, but then the pier
23 was closed down because allegedly it could no longer
24 support the amount of human traffic that they were
25 experiencing from the -- from the Summer Nights.

1 And then lo and behold, the aquarium began a
2 remodel and the piers were turned over to use as a
3 staging area for construction equipment and heavy
4 vehicles. And once that work was over, they remained
5 closed, and, of course, we started with the seawall
6 replacement and the takedown of the viaduct and so on.
7 So what was originally a very nice amenity was
8 essentially eliminated.

9 Now, Pier 62 is currently being rebuilt.
10 Pier 63, I understand, lacks the funding to be
11 rebuilt. And in observing the -- essentially total
12 rebuild/replacement of Pier 62, it requires a very,
13 very large construction barge, which is, basically,
14 butted up against the pier for the entire project,
15 removal of the pilings, removal of the decking,
16 replacement of the pilings and the decking. And the
17 project continues at what I understand is in excess of
18 \$100 million.

19 Pier 63 remains in its, essentially, decrepit
20 state next door. It's going to be closed, and it
21 looks to me like it's going to be very difficult, if
22 the decision is ever made to replace it, that it can
23 be replaced because there's no place to put that
24 barge. You've got the new 62 on the left side.
25 You've got the entrance to the Bell Street Marina on

1 the right, and unless they have some other
2 configuration that I can't anticipate, I think 63 is
3 going to be left to -- you know, probably end up
4 eventually just being removed. So that's not a
5 prospect that I'm looking forward to.

6 Comment on accuracy of valuations, on page 28
7 of the study, it says that electronic data based on
8 records of the King County Department of Assessments
9 forms the basis of the final rendered assessment roll
10 spreadsheets that are integral parts of this report.

11 You heard yesterday testimony from several of
12 my neighbors outlining what they consider to be fairly
13 gross discrepancies in the valuations that were
14 assigned. At the risk of causing my own assessment to
15 be increased, I want to show you another example that
16 I think equally casts doubt on the validity of the
17 study.

18 My official property value notice from King
19 County Assessor dated August 1 of last year values my
20 property at 1,088,000. In connection with a refinance
21 here a few months back, I hired a professional
22 appraiser, Quinton Rushi Brown, who for many years was
23 employed by the county appraisers, and he came in and
24 he gave me an appraisal of 1,098,000, 10,000 off the
25 county assessment.

1 So that's where my taxes are based. Now, the
2 assessment study shows my current value at \$994,375.
3 Rather interesting they should reach such a precise
4 number, but they did. And then after the LID
5 improvements, my property is supposed to be worth
6 1,024,206.

7 So my special benefit with my 3 percent
8 appreciation is going to increase my property value to
9 28 -- \$29,831, which still falls 50,000 short of the
10 other two valuations. So somebody has got this thing
11 wrong, and I would simply like to see it right.

12 Whatever the value is, is not the issue here. It's
13 really the lack of accuracy or the apparent lack of
14 accuracy in the assessment. And I think the
15 combination of this and the several external factors
16 that are affecting our community that the -- the
17 assessments need to be recalculated.

18 The report mentions that he's used -- or they
19 have used a mass appraisal technique. And I'm not
20 sure exactly what that means, but it may be acceptable
21 for -- you know, for planning large projects where
22 you're simply looking at the -- at the big number and
23 not getting as granular as maybe required down the
24 road.

25 But when you've got the kind of personal

1 financial impact that we're talking about here on
2 232 residents, just talking about my building, not the
3 rest of the LID area, I think a little more precision
4 is required here. My suspicion is that whatever
5 formula or algorithm that was employed for this study
6 was simply trying to -- pardon my cynicism here, but
7 it was simply trying to create a value spread so that
8 they could achieve the desired amount of total
9 assessment and was not really driven by any real
10 research and inspection.

11 And so, in summary, I think a more detailed
12 inspection is required. And whether -- whether it's a
13 legal requirement of the LID process or simply a case
14 of the City recognizing an obligation to fairness
15 toward their citizens, it should be employed.

16 Very quickly, how the project components
17 impact my property, the study describes six different
18 components that comprise the \$346 million project, and
19 I'll comment on each of them with additional impacts
20 on the end.

21 HEARING EXAMINER VANCIL: Mr. Stevens,
22 I just want to let you know timing where you're at,
23 due to my error with the court reporter, we started
24 five minutes late, and so you will certainly get those
25 five minutes.

1 MR. STEVENS: All right.

2 HEARING EXAMINER VANCIL: But I would
3 ask that you wrap up within that time because we have
4 another objector scheduled.

5 MR. STEVENS: I will do it. Thank you.

6 MS. BENETIN: I'm willing to give him
7 some of my time because he's making a lot of my
8 points. I'm also a resident.

9 HEARING EXAMINER VANCIL: It won't
10 necessarily count to your case. You can do how you
11 want, but I'll let you two work that out. But I just
12 want you to be mindful of the time.

13 MR. STEVENS: The description of the
14 Promenade, the first issue, is clearly a city park.
15 And as such all expenses and benefits should be shared
16 by the entire community, not just the residents in the
17 LID area.

18 The Overlook Walk is a pedestrian bridge,
19 landscaped public space, that connects Pike Place
20 Market and the Promenade. It's an attractive feature,
21 but one of its primary goals is to provide the roof
22 and the super structure for the new aquarium that is
23 planned for that site. And if it were -- in the
24 absence of the aquarium, it would be substantially
25 less expensive and less complex project.

1 Pioneer Square improvements, too far away from
2 our property to be relevant. Union Street pedestrian
3 connection, too far away to be relevant. Pike/Pine
4 Streetscape is described as similar to the Westlake
5 Park. And I won't go into the challenges that
6 Westlake Park experiences, but I certainly would not
7 mention that to a potential buyer if I were trying to
8 sell my property.

9 Pier 58, formally Waterfront Park, again, park
10 is park and should be enjoyed and also financed by the
11 entire community. I've already mentioned the
12 Pike/Pine Street connector. The abandonment of
13 Pier 62. We're going to lose about 300 parking spaces
14 along the Waterfront.

15 And, of course, it's difficult to measure, but
16 if this whole project is successful, we can expect
17 substantial increases in traffic, both vehicle and
18 pedestrian, in our neighborhood with damage to our
19 flowerbeds and our shrubbery and some of the other
20 amenities that surround our building.

21 Finally, the closeout phase is a concern to
22 me. The closeout phase, as you all know, is after the
23 project is complete. If there happens to be a cost
24 overrun, it's -- somebody has got to pay that bill,
25 and in several conversations with Marshall Foster,

1 program director, he assured us that the City would
2 never think of coming back to us for more money.

3 However, I don't see anything in the documents
4 or in the law that supports that. Let's say it's a
5 \$100,000,000 project that our assessment is based on
6 and it comes in at 120. The 100 million is being
7 construed as a special benefit to us. Is the
8 additional 20 million, if that's what the number
9 happens to be, is that not a special benefit?

10 It seems to me that -- that there's a looming
11 liability here that is not being discussed at all,
12 either by the City or the assessment report, and I
13 would like to see that issue addressed.

14 Thank you very much for your time.

15 HEARING EXAMINER VANCIL: Thank you,
16 Mr. Stevens.

17 You're handing one document forward. That's
18 marked as Exhibit 1 for Case Number 57. Thank you.

19 (Exhibit 1 for CWF0057 was marked.)

20 MS. BENETIN: Good morning.

21 HEARING EXAMINER VANCIL: Good morning.

22 MS. BENETIN: I guess I wasn't here for
23 the introductions.

24 HEARING EXAMINER VANCIL: It's pretty
25 short. I just need to get your case number.

1 MS. BENETIN: My name is Juanita

2 Benetin. Oh, dear, my case number.

3 HEARING EXAMINER VANCIL: Yes. Is it
4 291?

5 MS. BENETIN: I believe so. It's on my
6 piece of paper.

7 MR. STEVENS: According to your sheet,
8 it is.

9 MR. FILIPINI: It is 291.

10 HEARING EXAMINER VANCIL: If you can
11 state it in the record for what you're here for.

12 MS. BENETIN: CWF0291.

13 HEARING EXAMINER VANCIL: Thank you.
14 Please state your name and spell it for the record.

15 MS. BENETIN: My name is Juanita
16 Benetin, J-U-A-N-I-T-A, B-E-N-E-T-I-N.

17 HEARING EXAMINER VANCIL: And do you
18 swear or affirm the testimony you will provide in
19 today's hearing will be the truth?

20 MS. BENETIN: I do.

21 HEARING EXAMINER VANCIL: Thank you.
22 Please proceed.

23 MS. BENETIN: Like Bob Stevens, I'm a
24 resident of Waterfront Landing. We bought in 2004 a
25 rather small unit. We bought it for the purpose of

1 living there and retiring there and being -- having
2 access to the Waterfront, and we put our life savings
3 into this. This was our investment.

4 My husband died a couple years -- three years
5 ago actually. The month we bought the house, he was
6 in intensive care. And we bought the larger house so
7 I could care for him. The other one was too small.
8 He fell out of bed. I couldn't get him up. But in
9 all of this mess, you know, we are lucky to have our
10 house, and then the LID comes up.

11 And I'm not going to repeat a lot of things
12 that Bob Stevens said, and I would like to incorporate
13 the comments of all the other Waterfront Landing
14 owners that I know several of them spoke yesterday and
15 I believe some will speak today, but Bob addressed the
16 flawed system of assessment.

17 And it's my understanding from my reading of
18 the law that the one thing about these LID assessments
19 is they're supposed to have a specific benefit to a
20 specific property. And, normally, these reviews
21 toward putting in a sewer, not building a regional
22 park, but the City has decided that, hey, this is a
23 good way to fund. And I'll just stop on that.

24 But these assessments are not to be
25 speculative. It's supposed to be a very real benefit

1 to my property. We bought the house in April 2004 for
2 \$660,000, and I've attached some papers and the
3 assessment that went in for our loan. It was
4 \$660,000. The LID assessment is -- on my property is
5 600 -- started out at \$642,000. With the improvement,
6 my property is going to be worth \$661,260.

7 Well, it seems to me that that might be a
8 thousand dollar increase in what was actually paid for
9 the house, which should be representative of what the
10 first property value was.

11 Then I have my tax assessment for 2018 and
12 2019, which shows that my property was assessed first
13 at \$710,000 in 2018 and now \$713,000 in 2019. So
14 using those numbers, it appears I've lost \$53,000 for
15 this project. And I'm wondering if maybe they've
16 already discounted all of the negative benefits to my
17 house, like the trees that are going to be planted out
18 in front and spread and block my view in a matter of
19 four or five years.

20 The negative benefits don't seem to be
21 anywhere in the report. It's an old report, and I
22 believe Mary Merino pointed out it still refers to the
23 trolley running on the Waterfront.

24 My home is handicap accessible, and it was
25 really easy for my husband to get up to the Pike Place

1 Market in his scooter. My husband passed
2 October 2017, but for the other aging and handicapped
3 people in our buildings, it's going to add at least
4 10, 15 minutes to get up to the Market. It's also
5 going to be on an incline, and it's going to be really
6 difficult for those pushing wheelchairs, those in
7 scooters.

8 I think it's -- I don't think a lot of thought
9 has been put into what this will do to handicap
10 access. The other thing no one seems to mention is
11 we're U-shaped buildings, and I'm in the back of that
12 U, which means when that new traffic light is down in
13 front of my house. It's going to be spewing --
14 because I'm sure there's going to be some stop-ups in
15 the traffic. And people are going to be sitting there
16 idling, and we're going to be faced with bad air.
17 We've already lived with bad air from what's going on
18 across with all the new building and stuff across
19 the -- at the pier.

20 I'm going to miss my view of the water, and
21 I'm going to miss my view of the pier. And that's a
22 negative. The estimated value lift applied by
23 Valbridge is speculation. The estimated value lift
24 applied by Valbridge is less than 4 percent, which was
25 in the -- in the degree of margin of error. I don't

1 know that there's been any air quality review on what
2 it's going to do to our residential properties.

3 And just in closing, it just feels so futile
4 like none of this matters. But I am faced with either
5 being put out of my home by the taxes, by this LID
6 tax, or doing something extraordinary. And I am
7 trying out leaving my home for four months this summer
8 and renting it out as an Airbnb unit. That's just to
9 make ends meet.

10 So I -- I think people in our building will be
11 put out of their homes, and I think it's thoughtless.
12 And I don't think the impact on our residents has been
13 taken into consideration.

14 When will we be hearing? When will you make
15 rulings on our objections?

16 HEARING EXAMINER VANCIL: At this
17 point, I don't know. The hearing itself is scheduled
18 to continue through April with the number of objectors
19 that we have. We have 400 objections filed, and then
20 I write a decision after that.

21 MS. BENETIN: How will we hear?

22 HEARING EXAMINER VANCIL: I don't know
23 if the City plans yet to distribute a copy of my
24 recommendation, but that's generally a practice. I'm
25 making a recommendation to the Council, and that's

1 generally a recommendation gets sent -- a copy of that
2 gets sent to every objector. And then there's also
3 information in there on how to appeal that
4 recommendation to the Council.

5 MS. BENETIN: Okay. But you can't give
6 me any dates, four months, six months? My question is
7 when do I have to come up with the money, and when do
8 I have to move out of my house? These are the kinds
9 of plans I have to make based on your decision.

10 HEARING EXAMINER VANCIL: I can't lay
11 that out for you at this time. I can assume that the
12 hearing will likely conclude in April, and it will
13 take me two or three weeks after that to issue a
14 recommendation. That's the part I have control over.

15 MS. BENETIN: Thank you very much.
16 Please consider us.

17 HEARING EXAMINER VANCIL: Thank you.

18 We will take a break until either 9:35 when we
19 have our next objector scheduled to appear or until
20 they do appear, and that will be Case Number 358.

21 (A break was taken from 9:35 a.m. to
22 9:47 a.m.)

23 HEARING EXAMINER VANCIL: Reconvening
24 for the Waterfront LID Levy Assessment Hearing. We're
25 now here for Case Number 358.

1 Please state your name and spell it for the
2 record.

3 MR. KRAH: Good morning. My name is
4 John Krah, J-O-H-N, K-R-A-H. I'm also representing my
5 partner Alex Rito, A-L-E-X, R-I-T-O.

6 HEARING EXAMINER VANCIL: And do you
7 swear or affirm the testimony you will provide in
8 today's hearing will be the truth?

9 MR. KRAH: I do so swear.

10 HEARING EXAMINER VANCIL: Thank you.
11 Please proceed. We will take a break at 10:15.

12 MR. KRAH: Okay. I'll start by reading
13 a prepared statement by Alex who could not be here
14 this morning.

15 Attention LID Hearing Examiner: Objection to
16 Waterfront LID 6751 and appeal of assessment amount on
17 tax parcel 238200-2440.

18 I have been a resident of Seattle for 12
19 years. In May 2017 after nearly a decade of being a
20 renter with careful budgeting and judicious saving, I
21 was able to afford the down payment on a home in the
22 downtown area and chose to purchase the property
23 mentioned above, tax parcel 2382000-2440.

24 I am a conscientious citizen. I support my
25 neighborhood with charitable contributions, and I pay

1 my fair share of property and sales taxes; however, I
2 must strongly object to the Waterfront LID 6751 and
3 appeal the final assessment amount levied against me
4 and my property.

5 This LID is intended to support a public works
6 project costing hundreds of millions of dollars
7 expected by the City Council to benefit not just
8 Seattle City or King County but all of Washington
9 State, visitors from across the country, and even
10 worldwide tourists.

11 However, instead of being fully funded with
12 existing treasury or a tax that could equitably
13 distribute the cost among all beneficiaries, including
14 the most obvious, cruise ship passengers docking in
15 Elliott Bay, the City Council has chosen to make a
16 discriminated selection of businesses and property
17 owners arbitrarily close to the proposed project and
18 burden them with the expense.

19 Those of us impacted by the LID assessments
20 have been given no opportunity to vote or approve this
21 project. We have no say in how our money is being
22 used. We have no control over how much we're being
23 billed. But if unpaid, the City threatens to take a
24 lien on our property.

25 This LID is tantamount to extortion. It is a

1 flagrant abuse of power and egregiously
2 unconstitutional. Perhaps most shocking of all is
3 that the City Council intends to use the same model
4 for future projects if the current LID goes
5 unchallenged. Residents of Queen Anne could be
6 burdened with the costs of renovating the Key Arena
7 grounds, and residents of Capitol Hill could be
8 burdened with the cost of capping Interstate 5. This
9 behavior cannot be allowed to pass, and I intend to
10 fight it through all legal means.

11 Sincerely, Alexander Rito. Cc'd all the
12 members of the City Council, but we learned later that
13 the City Council cannot hear these arguments until
14 after you've made your report to them.

15 I submit --

16 HEARING EXAMINER VANCIL: It's being
17 marked as Exhibit 1., Case No. 358.

18 (Exhibit 1 for CWF0358 was marked.)

19 MR. KRAH: That concludes Alex's
20 statements. I'll proceed to my own statements.

21 Dear Mr. LID Hearing Examiner, I, myself, John
22 Krah, have lived in greater Seattle area for over
23 30 years. I've been a homeowner in downtown Seattle
24 for 13 years, and my partner of 10 years, Alex Rito,
25 and I have jointly owned property here at the Escala

1 for three years now. I and we both object to and
2 appeal the final assessment levied against our
3 property per the LID Number 3751. My name, our
4 property address, and mailing address read above on
5 the form, King County tax parcel 238200-2400, and LID
6 cause number that we're hearing today CWF0358
7 scheduled for hearing this morning.

8 My first objection, I object to the use of the
9 proximate principle to create direct taxation or
10 special assessment on property owners. We all know
11 that there are only two sure things, death and taxes.
12 But we still avoid them both as much as possible.
13 That does make the job of city and other government
14 officials particularly difficult that every
15 initiative, every measure, every action is checked and
16 balanced and submitted to the public scrutiny. And so
17 creative ways of attributing cost and benefit must be
18 employed to persuade the general constituency of every
19 incremental step in the right direction.

20 Olmsted, Crompton, and others have clearly
21 carved out a calculus for the attribution of city park
22 values to property tax revenues and back to the city
23 capital and operational expenditures to build and
24 maintain those parks.

25 The higher value of these residences means

1 that the owners pay higher property taxes. In many
2 instances, if the incremental amount of taxes paid by
3 each property which is attributable to the presence of
4 a nearby park is aggregated, it is sufficient to pay
5 the annual debt charges required to retire the bonds
6 used to acquire and develop the park. This process of
7 capitalization of parkland into value of nearby
8 properties is termed the proximate principle.

9 The entire purpose of Olmsted, Crompton, and
10 others' works is to create a new accounting for the
11 innate and self-supporting and in some cases even
12 profitable value of parks to the city without
13 increasing taxation on its residents.

14 Before funding for Central Park in New York
15 was committed, Olmsted explained how proximate
16 principle would result in the park being
17 self-financing, and his argument convinced key
18 decision-makers. Thus, the New York City comptroller
19 writing in 1856 shortly after the city acquired title
20 to land for Central Park said the increase in taxes by
21 reason of the enhancement of value is attributable to
22 the park would afford more than sufficient means for
23 the interest incurred for its purchase and
24 improvements without any increase in the general rate
25 of taxation.

1 As an example, Crompton provided
2 hypothetically the aggregate property value for the
3 neighborhood being approximately 5.4 million greater
4 than it would have been in the absence of greenbelt,
5 this increment resulted in an addition of
6 approximately 500,000 to the potential neighborhood
7 tax revenue. The purchase price of the greenbelt was
8 approximately 1.5 million. And, thus, the potential
9 property tax revenue alone would allow recovery of
10 initial costs within three years.

11 There is an important caveat to these positive
12 results in that 80 -- 86 percent of the
13 500,000 proximate increment of property tax revenue
14 accrued to taxing entities other than the city, i.e.
15 the county, school district, or other independent
16 districts. Thus, the incremental return to the city
17 alone was not sufficient to pay the costs incurred by
18 the city in purchasing the greenbelt.

19 This creates a major policy issue. However,
20 it should not inhibit the purchase of park and open
21 space areas because overall economic benefits accrue
22 to taxpayers whose revenues fund all the government
23 entities. Resolution of this conundrum requires one
24 of two actions.

25 The first requires that a city's elected

1 officials be prepared to accept the inevitable
2 criticism that is likely to occur when it raises taxes
3 to purchase the land. This selfless statesmanlike
4 position is adopted because they recognize that in the
5 long term the city's taxpayers will benefit when
6 return on the investment is viewed in the broader
7 context of total tax payments to all government
8 entities.

9 The alternative strategy is to persuade the
10 other taxing entities to jointly fund the purchase of
11 the open space areas since all will reap proximate tax
12 revenue increments deriving from them.

13 The City and assessors have indicated that
14 these Waterfront improvements will increase
15 international tourism and regional visitors. HR&A
16 estimates that currently there are close to 8 million
17 annual visitors to the existing Waterfront area. This
18 figure is split between day trip tourists, overnight
19 tourists, Seattle city residents, and regional metro
20 visitors.

21 The study indicates that the enhanced
22 Waterfront project has the potential to add
23 1.5 million net new visitors to the immediate area,
24 some areas more than others. For example, Pike Place
25 Market draws tourists and locals alike on a year-round

1 basis while Pioneer Square, due in part to its
2 historic nature, the neighborhood attracts extensive
3 tourism activity.

4 The City, assessors, Examiner, and Council
5 will be wise to reconsider that if, in fact, the major
6 benefit comes from an 18 percent increase in tourism
7 while the local property benefits from proximate
8 principle are not zero they do not justify saddling
9 residents and local businesses with this burden.

10 Instead, look to the tourism businesses on the
11 Waterfront and find incremental taxable revenue of
12 \$281 million annually. That increment alone can pay
13 off the proposed LID in just one year with plenty to
14 spare.

15 Second objection, it is unlawful to include
16 any property that will not receive special benefits,
17 and it is unconstitutional taking of private property,
18 Heavens v. King County Rural Library District, 1966.

19 HEARING EXAMINER VANCIL: And as it's a
20 case, we'll just include that in the case file. It
21 doesn't need an exhibit number.

22 MR. KRAH: Okay. Such violation of our
23 inalienable constitutional rights is an affront to our
24 very way of life in civilized society. As I
25 understand it, my district council member, the only

1 person representing me in this City Council
2 resolution, was barred from voting on this due to his
3 own ownership of property and interest in the area.
4 Taxation without representation is tyranny and the
5 very reason that we proud Americans are not under
6 British rule today.

7 Third objection, construction estimates are
8 not based upon substantially complete construction
9 documents are out of date and uncertain. In the words
10 of Mr. Macaulay, the Pike/Pine corridor and Pioneer
11 Square elements of the project have not yet reached
12 the 30 percent design milestone.

13 Final assessments will bind future city
14 councils and budgets to complete the LID improvements
15 regardless of its cost. It is unlawful to bind future
16 city councils and budgets to spend hundreds of
17 millions of dollars on projects still this early in
18 the design process. I have a Washington State
19 Attorney General opinion from 2012 in this matter.

20 HEARING EXAMINER VANCIL: Admit that as
21 Exhibit 2.

22 (Exhibit 2 for CWF0358 was marked.)

23 MR. KRAH: For the purpose of
24 calculating the correct assessment, I will make some
25 assessments based on the incomplete and uncertain

1 documents that have been provided. ABS Valuation
2 states that the -- I'm sorry. As a side note to that,
3 I understand from yesterday's hearing that there are
4 new appraisal information available on the City
5 Clerk's website today. I would request an opportunity
6 to review those materials and update my objections if
7 there is any material differences.

8 ABS Valuation states that the Pike/Pine
9 Streetscape improvements provide enhanced pedestrian
10 access to and from the Pike Place Market and
11 Waterfront. Both streets between First and Second
12 Avenues will be reconstructed as shared space without
13 curbs. Single travel lanes westbound on Pine and
14 eastbound on Pike designed for slow vehicle movement
15 and local access will share the space with pedestrians
16 and bicycles.

17 Bollards and detectable warning strips help
18 define the area to be used by vehicles along with
19 light poles, trees, and paving treatments, and there
20 will be more room available for sidewalk cafes. Let
21 us assume this will be quite similar to Bell Street,
22 which is also a shared pedestrian and automobile
23 space, similar to a European term called a woonerf.

24 If we can make this assumption that it's
25 similar to Bell Street, which is four blocks in length

1 and comprises 1.33 acres of park space, then this
2 corresponding one block of length on Pine Street that
3 is within the range of my property can account for
4 0.33 acres of similarly improved park.

5 Other improvements will be made in the various
6 blocks of Pike and Pine Streets between Second and
7 Ninth Avenues, including the construction of a new
8 paved public plaza, flexible space designed to
9 accommodate diverse programming similar to Westlake
10 Park on the south side of Pine Street between Third
11 and Fourth Avenues.

12 As ABS suggests, let us assume that this will
13 be similar in size and quality to Westlake Park giving
14 it 0.1 acres. These estimations will be used in the
15 fourth objection calculating the total assessment for
16 my property.

17 So we have a break at 10:15?

18 HEARING EXAMINER VANCIL: Fifteen.

19 MR. KRAH: Then let's press on. The
20 fourth and final objection, which will comprise the
21 rest of the time, is regarding the specific assessment
22 valuation for my parcel 238200-2440.

23 My property on Fourth Avenue and Virginia is
24 receiving special benefits from none or at best only
25 one of the six proposed LID improvement projects.

1 The City's assessment relies on an article of
2 academic work published in Journal of Leisure Research
3 from 2001 and updated in 2014 titled "The Impact of
4 Parks on Property Value: A Review of the Empirical
5 Evidence" by Mr. John L. Crompton, Department of
6 Recreation, Park and Tourism Sciences, Texas A&M
7 University, Texas, USA. An additional 2005 article by
8 the same author in Managing Leisure titled "The Impact
9 of Parks on Property Values: Empirical Evidence from
10 the Past Two Decades in the United States," I submit
11 these as Exhibits 3 and 4.

12 HEARING EXAMINER VANCIL: So marked and
13 admitted.

14 (Exhibit 3 and Exhibit 4 for CWF0358
15 were marked.)

16 MR. KRAH: The City and assessor have
17 taken this work out of context and should pay close
18 attention to the following details. Crompton writes:
19 The real estate market consistently demonstrates that
20 many people are willing to pay a larger amount for a
21 property located close to a park than for a house that
22 does not offer this amenity.

23 Regression analysis studies have reported on
24 how having such a park or green space amenity provides
25 benefit to homes nearby greatly exceeding those with

1 no such amenity. There is no relationship showing
2 that having more than one instance of an amenity is
3 more beneficial than having exactly one such amenity.
4 The proximity of a park is one significant factor in
5 measuring the incremental value of property attributed
6 to the park.

7 In all the studies reviewed in this paper, the
8 capitalization of benefits ceased at a selected
9 distance usually somewhere between 500 feet and
10 3,000 feet away from the park perimeter in urban
11 contexts. Drawing a Local Improvement District that
12 incorporates six distinct features and spans over
13 3.4 kilometers, 2.1 miles, begs for problems
14 evaluating the valuation effects that are proven to
15 diminish quickly over distances as short of a tenth of
16 a mile -- sorry. As short of a tenth of the
17 district's length.

18 Crompton 2005, Figure 2, shows that near
19 25-acre Jackson Park in Germantown the proximity of
20 property within 200 feet had a dramatic effect, 113
21 and some dollars of decreased value per foot distance
22 away from the park, but that value diminished to
23 approximately 3.9 percent or \$4.46 per foot away when
24 measured at a distance of a thousand feet from the
25 perimeter of the park.

1 Same exhibit, Figure 3, shows that near
2 14 neighborhood parks in Dallas/Forth Worth the impact
3 of proximity to parks varied from as high as
4 22 percent at 100 feet distance down to 0 percent at
5 2,000 feet distance.

6 Crompton's 2001, Table 9, which I have
7 reproduced in this document as well and would be in
8 the other exhibit, shows that the per dwelling benefit
9 for parks of 1-acre size diminishes to 1 percent at
10 5,000 or greater feet. And, similarly, 5-acre parks
11 diminish to 1.2 percent, and 25-acre parks diminish to
12 1.7 percent of the proximate principle interest that
13 would have been provided by being -- by abutting to
14 the park.

15 While at the same distance, increasing park
16 size is almost directly proportional to increasing
17 value. In addition to Crompton's Table 9, I have
18 produced another table which is presented here
19 demonstrating that holding the distance from the park
20 constant, the rates of improvement are the percentages
21 that I had indicated, 1.2 and 1.7 percent and,
22 secondly, that holding the size of the -- holding the
23 distance constant instead of increasing the size of
24 the park, that that had a direct proportional
25 relationship to the value that was given.

1 This will be important when calculating how
2 much special benefit there is to be assessed by adding
3 parks where parks already exist in that distance to my
4 property. The magnitude of proximate principle is
5 weighted heavily to the closest properties directly
6 adjacent or within two layers of buildings.

7 Eighty percent of the aggregate increase in
8 value was derived from properties located within
9 500 feet of the parks. Effects could not be traced
10 beyond 2,000 feet from the parks, Crompton 2005.
11 Although the tables above include figures up to the
12 2 miles away, it is clear that they are a vanishingly
13 small contribution.

14 For example, attributing 83 cents of special
15 benefit to a home valued at \$12,000 represents just
16 68 parts per million, and with the multiple layers of
17 hedonic analysis, it is extremely difficult to create
18 a direct cost-value link from one park to the property
19 at that distance.

20 There are qualitative differences among parks
21 and open spaces that are likely to result in different
22 impacts on proximate property values. It is important
23 to recognize that some types of parks are more
24 desirable than others as places to live nearby.

25 For example, there is convincing evidence that

1 large, flat, open spaces, which are used primarily for
2 athletic activities and large social gatherings, are
3 much less preferred than natural areas containing
4 woods, hills, ponds, or marsh, Kaplan & Kaplan, 1990.

5 Crompton goes on, the studies' results suggest
6 that a positive impact of 20 percent on property
7 values abutting or fronting a passive park area is a
8 reasonable starting point. If it is a heavily used
9 park catering to a large number of active recreational
10 users, then the proximate value increment may be
11 minimal on abutting properties but may reach
12 10 percent on properties two to three blocks away.

13 Parks that are used for observation and
14 contemplation are significantly more beneficial than
15 heavy used parks or special facilities. In the words
16 of the LID project before and after, Pike/Pine
17 Streetscape improvements absent the project would not
18 occur. Both streets between First and Ninth Avenues
19 remain as they currently exist with westbound
20 vehicular traffic on Pine extending -- ending at the
21 entrance to the Pike Place Market where there are
22 typically crowds of vehicles, pedestrians, and
23 bicyclists visiting the Market, and eastbound traffic
24 continuing on Pike Street as is the current situation.

25 Hence, we can deduce that the use of these new

1 park areas will be even more heavily used and
2 congested as the attraction to that area increases
3 with the proposed improvements. I've reproduced
4 Crompton's table of the three types of open space
5 categories, urban park, natural park, and specialty
6 park and their definitions here. An urban park is
7 defined as one where more than half of the park is
8 manicured or landscaped and developed for nonnatural
9 resource dependent recreation. Every project that has
10 been -- every part of the project that has been
11 proposed is an urban park.

12 Second type, natural area parks, more than
13 half of the park is preserved in native or natural
14 vegetation. Park use is balanced between preservation
15 of natural habitat and natural resource-based
16 recreation, examples given hiking, wildlife viewing,
17 boating, and camping. This definition includes
18 parcels managed for habitat protection only with no
19 public access or improvements. None of the projects
20 are natural parks.

21 And the third category is specialty parks.
22 Primary use at the park and everything in the park is
23 related to the specialty category. Examples given
24 were boat ramp facilities. In my table of nearby
25 parks, I will later refer to The Spheres as a

1 specialty.

2 I've also reproduced Crompton's 2005, Table 3,
3 the variations in proximate values at different
4 distances for each open space type -- the urban parks,
5 natural parks, and specialty parks. And I have added
6 a second table that compares holding distance constant
7 and holding type of park constant, how does type of
8 park and how does distance affect the relative values.

9 What this analysis shows is that natural parks
10 are the far most preferred types of parks. In 1990
11 dollars, abutting the park, a natural park, provides
12 11,210 incremental values of special -- dollars of
13 special benefit to that property. The same abutment
14 to an urban park is 17 percent of that value.
15 Specialty facility at that same distance is
16 66 percent.

17 As you get further and further away, the
18 distance, combined with the type of park, results in
19 very fast diminishing return of urban parks pervading
20 special value throughout Belltown, downtown, and the
21 Waterfront.

22 The special benefit to having multiple parks
23 is accumulated as a single park of comparable size to
24 the sum of all the parks' sizes with some coefficients
25 of each individual park's proximity, size, and type.

1 I'm describing how I'll be comparing the parks that
2 exist around my property today, the parks that are
3 proposed in the LID assessment, and that both the
4 type, the size of the parks, and the proximity to my
5 property, all three of those factors, will weigh in
6 how much each park will add value to my property.

7 HEARING EXAMINER VANCIL: Let me ask
8 you, Mr. Krah, you made reference to Exhibit 3, the
9 Crompton report, multiple times. How many references
10 do you believe you'll make to Exhibit 4?

11 MR. KRAH: Exhibit 3 was the 2001
12 article?

13 HEARING EXAMINER VANCIL: Crompton
14 report.

15 MR. KRAH: They're both Crompton.

16 HEARING EXAMINER VANCIL: Okay.

17 MR. KRAH: Exhibit 3 was the 2001, and
18 Exhibit 4 was the 2005; is that correct?

19 HEARING EXAMINER VANCIL: Yes.

20 MR. KRAH: I have approximately zero
21 more citations.

22 HEARING EXAMINER VANCIL: Okay. Thank
23 you.

24 MR. KRAH: Would you like to --

25 HEARING EXAMINER VANCIL: Please

1 proceed.

2 MR. KRAH: Would you like to take the
3 break? We have only two minutes.

4 HEARING EXAMINER VANCIL: No. How much
5 longer do you anticipate for your testimony?

6 MR. KRAH: Probably about 10 minutes.

7 HEARING EXAMINER VANCIL: We'll
8 probably just go through then. We don't need to take
9 a break at a set time. It's really dependent on the
10 witnesses. There's no point in having you wait any
11 longer.

12 MR. KRAH: Thank you very much.

13 The proposed Waterfront Promenade along
14 Alaskan Way from South Washington to Pine, the
15 proposed Overlook Walk between Pike Place marketfront
16 and the proposed Promenade, the proposed Union Street
17 pedestrian connection, and the proposed Pier 58
18 formally known as Waterfront Park would each be over
19 2,950 feet walking distance away to the south of my
20 property. This is at the extreme boundary already
21 passed the 2,000 feet that the 2001 article -- the
22 2005 article had mentioned, and this is at the limit
23 that the 2001 article had mentioned of 3,000 feet.

24 The proposed Pioneer Square improvements at or
25 south of Yesler Way are over 5,000 feet away. All of

1 these projects are outside of the scope of special
2 benefit to my property. The proposed Pike/Pine
3 corridor improvements at their nearest point are only
4 918 feet walking distance away from my property.

5 This one of the six proposals that are close
6 enough to my property to presume is the only one that
7 can presume any special benefit from any kind of park
8 installation at that location. The closest parks to
9 my property in Table 6, starting with proximity, are
10 Westlake Square, 820 feet away, at .01 acres, an urban
11 type. Some special amenities it includes are a paved
12 street triangle with trees and decorative plantings.

13 Nearby at 853 feet away is McGraw Square,
14 another .01 acre urban park with a landmark statue, a
15 plaza, and some tables.

16 918 feet away in a similar area is the
17 aforementioned Westlake Park, .1 acres, another urban
18 park with a fountain, a mall. It is commonly referred
19 to as Seattle's town square hosting celebrities and
20 panels of various types. It contains seating, games,
21 and seasonally a carousel.

22 In the opposite direction to the north of my
23 property at -- sorry. I'm ahead of myself. At this
24 point also 918 feet away the proposed Pike/Pine Street
25 improvements exist. These are pedestrian and vehicle

1 common areas that have been described before,
2 including both types of improvements. I've estimated
3 this at .43 acres of urban park.

4 To the east of my property, 1,312 walking feet
5 away are Amazon's The Spheres, which are a private
6 park, but they contain a conservatory of over 40,000
7 plants and a dog park. It is .07 acres of specialty
8 park.

9 To the west, 1,476 walking feet, is Victor
10 Steinbrueck Park. This is the first larger area of
11 park that we have. It's .8 acres. It's also an
12 urban-type park. It contains totem poles, seating, a
13 children's play area, and landscaping.

14 Similar, at the same -- at the same distance,
15 1,476 walking feet is Bell Street Park, which is
16 similar to Pike and Pine Street improvements that are
17 proposed. It contains a small park area. It contains
18 paved shared pedestrian and vehicle traffic spaces and
19 is 1.33 acres in total.

20 The following two properties are for reference
21 only, are not included in any assessment of special
22 benefit. 1,640 feet away -- it's over 1,500 feet
23 away, so the amount that could apply to special
24 benefit to my property is zero percent -- the Urban
25 Triangle Park is another urban park, .01 acres in

1 size, with an open lawn, a central play structure,
2 seating, and lighting.

3 Freeway Park over Interstate 5 is 2,788
4 walking feet away, is an urban park, and contains
5 brutalist architecture and greenery. Neither of these
6 two parks provide any special benefit to my property.

7 And now we begin two of the proposals. The
8 proposed Union Street pedestrian connection is
9 2,952 feet away. I am estimating that it's 1.1 acres
10 based on the drawings that were provided in the
11 ABS Valuation packet. It is said to contain a
12 walkway, elevators, stairs, art, and lighting. I
13 believe it's classified as an urban park.

14 The proposed Pier 51 formally known as
15 Waterfront Park is 1.5 acres, also 2,952 feet away,
16 contains gathering and performance spaces, children's
17 play area, Waterfront view, railings, and raised lawn.
18 This is also an urban park area, and based on the
19 forecast, this would be a heavily used area. It would
20 replace the existing Waterfront Park at the same
21 distance and the same size, which presently has a
22 boardwalk, sculptures, lamps, benches, high-curved
23 railings, and the Great Wheel. I don't believe the
24 Great Wheel will be replaced.

25 Further to the north at the 2,952 feet

1 distance is Denny Park, a 0.105 urban park with an
2 off-leash pet area, broad walkways, and many trees.

3 The rest of these parks are over 3,000 feet
4 away and cannot possibly have any special benefit on
5 my property. 3,280 walking distance away is Tilikum
6 Place, 0.1 acres of urban park space with a Chief
7 Seattle statue, tables, benches, and lighting.

8 Also at 3,280 feet away is the Plymouth
9 Pillars Park, which contains pillars from Plymouth
10 Church that had some accident with an earthquake a
11 long time ago and are now historically preserved.
12 There's also an off-leash pet area, has benches, a
13 pedestrian corridor, and art. And it comes in at
14 .2 acres of urban park.

15 The LID-proposed Promenade on the Waterfront
16 is 3,280 walking feet away from my property. I'm
17 estimating from the materials that it would be
18 5.2 acres of urban park, a continuous open space with
19 amply green landscaped spaces, street art, tree
20 plantings, walkways, and lighting.

21 A little further away at 3,608 feet walking
22 distance is Belltown Cottage Park and community
23 P-Patch, a .1 acre urban park with three historic
24 cottages and a community-maintained garden.

25 At its nearest perimeter, Seattle Center is

1 also 3,608 feet walking distance away. It is by far
2 the largest park in this area at 74 acres. It
3 contains World's Fair attractions, the Space Needle,
4 arts, athletics, festivals, a very wide, multiple use
5 area. It defines it as a heavy use urban park.

6 Further away at 3,937 feet walking distance is
7 the proposed Overlook Walk. This was marked as
8 1.1 acres in ABS Valuation and contains a walkway and
9 landscaping making it an urban park.

10 In Belltown 4,593 walking feet away from my
11 property is the Olympic Sculpture Park. This comes in
12 at 9 acres, and I would classify it as a specialty
13 park. It's an outdoor museum. It also contains a
14 beach. These classifications are not critically
15 important at this distance because the amount of value
16 that could be attributed to my property is still zero
17 regardless of the type of park that it is.

18 In the nearby area at the same distance of
19 4,593 feet of walking distance -- sorry. That's to
20 the northeast is the Cascade playground and
21 community-maintained P-Patch, 1.9 acres, play fields,
22 play areas and field, tables, restrooms, and a
23 community-maintained garden, another urban park with
24 1.9 acres of space.

25 To the southeast in First Hill Park,

1 4,593 feet walking distance away is another urban park
2 of .2 acres with benches, flowers, grass, brickwork
3 paths, and a water fountain.

4 Myrtle Edwards Park is another large park and
5 could be construed as a natural park. It is
6 4.8 acres, contains bird watching attractions, and
7 bike and walking paths. It is 4,921 feet walking
8 distance from my property.

9 And we come to the final LID assessment
10 project that's proposed, which are the Pioneer Square
11 improvements. I did not estimate the size of these
12 improvements. They are 5,249 walking feet away from
13 my property. They're described as sidewalk paving,
14 landscaping, and traffic redirection. I will
15 liberally draw this as an urban park.

16 The final park in my table is Cal-Anderson
17 Park, 5,577 feet walking distance into Capitol Hill
18 comes in at 7.37 acres, and contains a fountain, a
19 pool, a promenade, sports fields, lighting, games,
20 plaza, and all-gender restrooms. I will liberally
21 give this a specialty park assignment, but, again, it
22 is outside of any range being able to contribute
23 special value to my property.

24 In Table 7 I accumulate by type and distance
25 from my property the amount of park space that is

1 available now and that would be available in the
2 proposal. Between zero and 800 feet, there are no
3 existing or proposed parks. Between 800 and
4 1,000 feet, there are an existing .12 acres of urban
5 park, zero natural park, zero specialty park, and a
6 proposed 0.43 acres of urban park, zero natural park,
7 and zero specialty park.

8 Between 1,000 and 1,200 feet, there are no
9 existing or proposed parks. Between 1,200 and
10 1,500 feet, there are existing 2.14 acres of urban
11 park, zero acres of natural park, and 0.07 acres of
12 specialty park. There are no proposed parks of any
13 type in this range or further.

14 Proposed improvements in that 800 to
15 1,000 feet distance create approximately 1.33 acres
16 where there was previously .12. Arguably, there was
17 already a park in this distance, and increasing its
18 size may have a limited effect. But I'm willing to
19 concede that is a significant improvement on the
20 1-acre scale referring back to the tables of 1-, 5-,
21 and 25-acre parks significance.

22 And at that distance, the parks in aggregate
23 would have a proximate principle property value of
24 \$83.31 out of 12,185 in the property of that study,
25 which is .683 percent. Proportioning that to the size

1 of the parks becomes .683 percent times .55 net new
2 acres, which is .376. And of that proposed
3 improvements constitute only .43 acres of the
4 .55 acres, which is only 78.2 percent, applying that
5 to the accumulating percentage would result in a
6 proximate property value of .294 percent.

7 Our property is currently estimated at
8 \$1,553,475. And this proximate principle calculation
9 finds a potential special benefit of that estimate
10 times .294 percent, which amounts to \$4,567 instead of
11 the assessment's .75 percent resulting in
12 \$11,651 special benefit that was originally assessed.

13 The City had originally calculated a need of
14 39 percent of the special benefit, which results in
15 4,567 times 39 percent. My new property assessment
16 should be \$1,781.13 for the Pike/Pine corridor
17 improvement project alone.

18 As the remaining LID improvement projects are
19 outside of the 2,000 feet distance allowed by
20 proximate principle methodology, they will not be
21 considered any special benefit to this property.

22 I suggest by extension that other parcels
23 sharing the same lot as mine and, in general, all
24 parcels that are ill served by the assessment
25 methodology and forecasting presented by Mr. Macaulay,

1 ABS Valuation, should have similar recalculations of
2 their assessment value.

3 In conclusion, I object to the assessment
4 amount of specific benefit to my parcel. Evidence
5 demonstrates the assessed value is inconsistent with
6 empirical property values relating to parks and
7 recreation in North America for the past 40 years. I
8 insist that the Examiner carefully consider the
9 evidence and calculations leading to this result and
10 make a fair and proportionate decision for all members
11 of this LID.

12 Furthermore, I beg that the Examiner,
13 assessors, and City Council members review the purpose
14 of Local Improvement Districts and proximate principle
15 as tools for the public good of all.

16 Sincerely yours, John Krah.

17 HEARING EXAMINER VANCIL: Thank you.

18 Do you have additional documents to introduce?

19 MR. KRAH: I will sign this and provide
20 it to you as a -- if you wish.

21 HEARING EXAMINER VANCIL: Mr. Krah's
22 statement will be marked as Exhibit 5.

23 (Exhibit 5 for CWF0358 was marked.)

24 HEARING EXAMINER VANCIL: Any other
25 documents that you intend to introduce?

1 MR. KRAH: That concludes my
2 presentation.

3 HEARING EXAMINER VANCIL: Let me
4 address a couple procedural --

5 MR. KRAH: I'm sorry. I do have a map
6 as well.

7 HEARING EXAMINER VANCIL: The map will
8 be marked as Exhibit 6.

9 (Exhibit 6 for CWF0358 was marked.)

10 HEARING EXAMINER VANCIL: Let me
11 address a couple procedural issues while you're here.
12 The City does have an opportunity to cross-examine any
13 witness providing testimony. I ask you just to keep
14 in mind the burden of proof of any -- you handled
15 yourselves well yesterday. Obviously, there were
16 citizens providing testimony, and you let it be what
17 it is.

18 We're starting to head into the part of the
19 hearing where you're getting a different level of
20 input and argument and expertise. I just ask you to
21 keep in mind the burden of proof. If, for example, an
22 objector doesn't make any attempt to establish
23 themselves as an assessor or appraiser, grinding them
24 into the ground over that point and establishing it,
25 it's already been established by the fact that they

1 didn't establish it.

2 If you have questions about what they have
3 established, that occurs now simply so we can move
4 forward and keep this hearing efficient so we're not
5 doubling the time we've already got just for
6 presentations.

7 Also we will be posting all exhibits that we
8 receive by the end of the day. We'll be trying to do
9 that. We may not always be able to achieve that, but
10 that's our goal is so that everything that gets
11 submitted will be done at the end of the day so you
12 can get copies.

13 We will also send a reminder out to objectors
14 that they should be bringing copies for the City and
15 the Hearing Examiner because that's according to the
16 Hearing Examiner rules. Today I've tried to make a
17 copy of one document that was presented, Exhibit 3.
18 If the City needed to see that from this particular
19 objector, I just selected it out.

20 Otherwise, on all of these issues, I'm just
21 awaiting if the City has an objection or question or
22 something along those lines, I will leave it to you to
23 raise that at your will.

24 With that are there any questions for
25 Mr. Krah?

1 MR. FILIPINI: I don't have any
2 questions for Mr. Krah.

3 HEARING EXAMINER VANCIL: All right.
4 Exhibits 1 through 6 are admitted. Thank you,
5 Mr. Krah.

6 We will take a break and return at 10:45.

7 (A break was taken from 10:33 a.m. to
8 10:47 a.m.)

9 HEARING EXAMINER VANCIL: Now we return
10 to the record, and we'll now hear for Case Numbers 192
11 and 382. Please come forward.

12 This is 192 and 382. Please state your name
13 for the record.

14 MR. MARSHALL: Witheridge J.B.
15 Marshall.

16 HEARING EXAMINER VANCIL: And if you
17 could spell it, please.

18 MR. MARSHALL: First name Witheridge,
19 W-I-T-H-E-R-I-D-G-E, Marshall, M-A-R-S-H-A-L-L.

20 HEARING EXAMINER VANCIL: Thank you.
21 Do you swear or affirm the testimony you provide at
22 today's hearing will be the truth?

23 MR. MARSHALL: I do.

24 HEARING EXAMINER VANCIL: Thank you.

25 And just one procedural thing. I want to

1 continue -- just to wrap up the conversation I started
2 at the end of the -- or the beginning of the break. I
3 will leave it to the City essentially to let me know
4 if you want to do cross. I won't turn to you after
5 every witness.

6 Partly, I want to keep it clear that it's the
7 City's case, and for the viewing audience and any
8 appellants or objectors, please note that if the City
9 is not asking questions or if I'm not -- if I'm asking
10 them about them, it's genuinely viewed as a matter of
11 courtesy to those objectors or appellants in other
12 cases. I see where individuals are -- it simply
13 recognizes their right to speak, and so attorneys will
14 not generally drill into them as it were with many
15 questions.

16 But it is the City's right to prosecute their
17 case, and if they do have questions, again, I'll ask
18 you to let me know if you intend to do cross.

19 MR. FILIPINI: Will do. Thank you.

20 HEARING EXAMINER VANCIL: Please
21 proceed.

22 MR. MARSHALL: So I actually -- I have
23 two units. One is mine and the other I'm speaking for
24 an owner. It's regarding the Newmark Tower, Unit 903.
25 Quite simply, my argument or opposition to the tax or

1 assessment is that the way that the assessment was
2 done I feel is incorrect based on the fact that the
3 values are from the future that they feel the
4 improvements will give to each property.

5 What one major part regarding my unit that I
6 feel they missed was that during the time of this
7 whole entire LID assessment, there is construction
8 that has been done on the building across from my
9 particular unit which has now caused me to not have a
10 view that I did before.

11 I currently live on the ninth floor, and the
12 building directly north of us on Pike Street is now
13 approximately 11 stories tall, but that's also based
14 on the electrical -- on actual floor, but -- and due
15 to that, obviously, the value of my home due to the
16 view restriction has actually gone down.

17 Everyone -- generally, if you lose your view,
18 your value is obviously going to go down in the city.
19 So that's my, honestly, main argument is that the
20 assessor's assessment of my property's value is
21 incorrect.

22 That's really it.

23 HEARING EXAMINER VANCIL: Okay. Did
24 you have any documents to introduce?

25 MR. MARSHALL: No. I don't.

1 HEARING EXAMINER VANCIL: Thank you
2 very much.

3 MR. MARSHALL: And then -- sorry. For
4 the other property --

5 HEARING EXAMINER VANCIL: You do have
6 more?

7 MR. MARSHALL: For the other argument,
8 this is for the Case Number CWF0192. This, again, is
9 at 1415 Second Avenue, the Newmark Tower, Unit
10 No. 1502, and it's, basically, my same argument for
11 this unit is that if we are looking for future values
12 of the property, currently, right now there is a
13 140-story building coming up directly in front of the
14 unit on First Avenue right across the street from the
15 Pike Place Market which many people are familiar with.

16 And when that goes up, it will completely
17 block the current unobstructed view of the mountains
18 and the water for this particular unit. So my
19 argument for this one is -- just like the other is
20 that due to the fact that the known quantity of value
21 and going down for the property, then the current
22 assessment that was done is not looking at the obvious
23 deduction of value on these properties.

24 And, obviously, for me I believe this is true
25 for many, many properties in the downtown area

1 considering how many new buildings are going up.

2 HEARING EXAMINER VANCIL: Does that
3 conclude your presentation?

4 MR. MARSHALL: That's it.

5 HEARING EXAMINER VANCIL: Okay. Thank
6 you very much.

7 MR. MARSHALL: Thank you.

8 HEARING EXAMINER VANCIL: The hearing
9 will be adjourned. We are scheduled to reconvene for
10 the hearing to continue February 11 at 10:25 a.m.

11 Thank you.

12 (The proceedings concluded at
13 10:52 a.m.)

14

15

16

* * * * *

17

18

19

20

21

22

23

24

25

1 C E R T I F I C A T E
2

3 STATE OF WASHINGTON

4 COUNTY OF KING
5

6 I, Nancy M. Kottenstette, a Certified
7 Shorthand Reporter in and for the State of Washington,
8 do hereby certify that the foregoing transcript of the
9 proceedings is true and accurate to the best of my
10 knowledge, skill, and ability.

11 I do further certify that I am a disinterested
12 person in this cause of action; that I am not a
13 relative of the attorneys for any of the parties.

14 IN WITNESS WHEREOF, I have hereunto set my
15 hand and seal this 24th day of February, 2020.
16
17
18

19 _____
20 Nancy M. Kottenstette, RPR, CCR 3377
21
22
23
24
25