BEFORE THE HEARING EXAMINER
CITY OF SEATTLE

In re Objections of LBA RV Company XXVIII, LP and LBA RVI-Company XLI, LLC	Nos. CWF-0420 and 0422 **DECLARATION OF ROSS BECKLEY**

I, Ross Beckley, declare as follows:

1. I have personal knowledge of the facts stated below and am competent to testify regarding the same.

2. I am the Property Manager at LBA Realty and LBA Logistics. Our firm and related subsidiaries own and manage the 4th & Pike Building and TwoPine Building (formerly known as the Broadacres Building). I have held that position since January 1, 2017. Prior to my current position, I have been employed as a commercial property manager and project manager for multiple Puget Sound region commercial real estate investment and consulting firms. I obtained my Bachelor's of Arts degree from Western Washington University in 1998 and a Master's of Urban Planning degree from the University of Washington in 2005.

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LOCAL IMPROVEMENT DISTRICT PROCESS

3. LBA received notice of proposed final assessment for Waterfront LID No. 6751 for both the 4th and Pike and TwoPine buildings. The notices were dated December 30, 2019.

4. I have reviewed the proposed final assessments for each of the properties and the final special benefit study prepared by ABS Valuation and Robert Macaulay for the City of Seattle.

5. No one from the City of Seattle or ABS Valuation contacted LBA to request financial data (e.g., occupancy rates, rental rates, income data, expense data) or other information about the 4th and Pike or TwoPine buildings.

6. No one from the City of Seattle or ABS Valuation contacted LBA to request physical access to the 4th and Pike or TwoPine buildings.

7. No one from the City of Seattle or ABS Valuation contacted LBA to request input or feedback on the proposed assessments, the computation of special benefit, or the valuation of the 4th and Pike or TwoPine buildings.

TWOPINE BUILDING

8. The TwoPine building is owned by LBA RV Company XXVIII, LP and is located at 1601 2nd Ave., Seattle, Washington, King County Parcel No. 1117080020. The basement premises of the building are occupied by a grocery store and the remainder of the building is currently vacant.

9. The City's special benefit study values the TwoPine building at $61,054,000; however, the King County assessor determined the true and fair value of the property to be $33,270,000, valued in 2019 for tax year 2020. The City has not offered an explanation of

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this 184% increase in estimated value. In my professional opinion, the City grossly over-valued the TwoPine building.

10. It does not appear that the City took into account the fact that redevelopment of this property is restricted due to fact that development rights have been sold. These considerations should have certainly reduced the building's estimated value.

11. The proposed LID improvements are not necessary to the functionality or continued use of this property as an office and retail space. There is simply no basis to conclude that the waterfront LID improvements will provide $1,711,000 worth of special benefit to this building.

12. The proposed LID assessment of $670,407 is a substantial additional cost to the TwoPine building, which will decrease the fair market value of the property. No rational office and retail building owner would invest $670,407 today in a project that will have no return for either the five years of planning and construction or the period afterward.

13. In my professional opinion, the TwoPine building will receive no special benefit from the proposed LID improvements.

14. The revenue and demand increases that the TwoPine building would need to generate in order to recover the LID assessments are unrealistic given the downtown Seattle commercial real estate market conditions, which have been severely impacted by the COVID-19 outbreak.

4TH AND PIKE BUILDING

15. The 4th and Pike building is owned by LBA RVI-Company XLI, LLC and is located at 1424 4th Ave., Seattle, Washington 98101, King County Parcel No. 1975700235. The building's tenant composition includes three sidewalk-accessible ground level retail businesses and nine additional floors of office and retail tenants.

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16. The proposed LID improvements are not necessary to the functionality or continued use of this property as an office and retail building. There is simply no basis to conclude that the waterfront LID improvements will provide $744,000 worth of special benefit to this building.

17. The proposed LID assessment of $291,516 is a substantial additional cost to the 4th and Pike building, which will decrease the fair market value of the property. No rational office owner would invest $291,516 today in a project that will have no return for either the five years of planning and construction or the period afterward.

18. In my professional opinion, the 4th and Pike building will receive no special benefit from the proposed LID improvements.

19. The revenue and demand increases that the 4th and Pike building would need to generate in order to recover the LID assessments are unrealistic given the downtown Seattle commercial real estate market conditions, which have been severely impacted by the COVID-19 outbreak.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed at Seattle, Washington, on April 16, 2020.

Ross Beckley

Digitally signed by Ross Beckley
Date: 2020.04.16 08:54:34 -07'00'

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