

REVIEW APPRAISER'S CERTIFICATE NO. 1

Agency:	Capitol Land Trust
Parcel No.	320213260570 and 320215100001
Owner:	Port of Shelton
Federal Aid No.	N/A
Project:	Eagle Point Property Acquisition
Map Sheet:	N/A
Map Approval Date:	N/A
Date of Last Revision:	N/A

From: Richard F. Duncan, MAI, The Granger Company

To: Capitol Land Trust/assigns

Date of Review: July 16, 2016

The following appraisal has been made on the subject larger parcel:						
Appraisers	Valuation Date	Market Value –Before Project	Market Value – After Project	Value Difference	Value of Property Rights Acquired	Damages
Gregory Richards # #1101079	5-12-16	\$152,000	-0-	\$152,000	\$152,000	-0-

Appraisal Review Comments and Conclusions

Appraisal #1 was received for review on or about July 6, 2016; it is referred to as "the appraisal" herein. The appraisal is an "Appraisal Report" as defined by USPAP. The appraisal report is developed to the Uniform Standards for Federal Land Acquisitions (Yellow Book) and the Standards of the Washington State Recreation and Conservation Office (RCO). The Capitol Land Trust proposes a total acquisition of the subject parcel.

Description of Subject Parcel

The subject includes two adjacent tax parcels owned by the Port of Shelton. The two tax parcels comprise approximately 15.16 acres and are zoned General Commercial by Mason County. The appraiser concludes that the two parcels form one larger parcel which reasonable and appropriate. The appraiser concludes that the highest and best use of the subject larger parcel is to hold it until market conditions improve to the point where residential development is financially feasible. Though the subject is zoned General Commercial, the appraiser verified with Mason County, that a residential use could be allowed within the GC zone, given the residential character of the surrounding location. The appraiser further reasoned that due to the poor economic climate in Shelton, a commercial use would not be financially feasible on the subject site and that future residential use is the most viable use. In my opinion, the appraiser's conclusion of highest and best use is reasonable.

Valuation

The appraiser used the sales comparison approach to value the subject which is appropriate. The appraiser analyzed five comparable land sales in supporting the value of the subject parcel. The sales range from approximately \$6,636 to \$15,009 per acre. . The appraiser concludes a value of \$10,000 per acre or approximately \$152,000 overall (15.16 acres x \$10,000 per acre). In my opinion, the appraiser’s value conclusion is reasonable and well supported in the appraisal.

The subject does not have mineral rights or water rights which is typical for similar properties in the subject market. The subject is subject to an easement for maintaining, repairing or renewing a pipeline by the City of Shelton which does not negatively impact the value of the property. The property is subject to the effects of Aquatic Lands Outfall Easement which does not have a significant impact on the market value of the subject.

The appraisal is subject to an extraordinary assumption that the size of the subject as represented by the Mason County GIS is accurate. The appraisal is subject to the hypothetical condition that a dock trespass on the tidelands does not exist. The appraisal makes many general assumptions and limiting conditions that are typical of eminent domain real estate appraisals. There are no extraordinary assumptions or hypothetical conditions in the appraisal.

There are no personal property (chattel) items affected by the proposed acquisition and project. There are no tenant-owned realty items taken or affected. The appraisal and this review use the correct methods and techniques. The market data in the appraisal are adequate and appropriate to solve the appraisal problem. The conclusions of value reached in the appraisal and in this review are reasonable and fit the market evidence. In my opinion, the appraisal report which is under review complies with the Uniform Standards of Professional Appraisal Practice (USPAP), The Uniform Standards for Federal Land Acquisitions Standards (Yellow Book), and the Standards of the Washington State Recreation and Conservation Office (RCO).

REVIEWER’S DETERMINATION OF VALUE NO. 1

DETERMINED VALUE BEFORE PROJECT:	\$152,000
DETERMINED VALUE AFTER PROJECT:	-0-
VALUE DIFFERENCE DETERMINED:	\$152,000
ESTIMATED JUST COMPENSATION IS- AS OF 7-15-16:	\$152,000

Reviewer's Allocation of Just Compensation

Acquisition:

Land Acquired In Fee: 15.16 acres x \$10,000/ac.:	\$152,000
Improvements:	-0-
Damages:	-0-
Special Benefits:	-0-
Total Just Compensation This Larger Parcel:	\$152,000

APPRAISAL REVIEW SALIENT INFORMATION

Property Rights Appraised

Unless specified otherwise in this review, the property rights appraised constitute the fee simple interest.

Date of Value

The effective date of the value opinion for the property in this review is 5-12-15 per Appraisal #1.

Competency of Reviewer

The undersigned reviewer has the knowledge and experience required to competently perform this review; detailed resumes are available upon written request. The undersigned reviewer is approved by the Federal Highway Administration (FHWA) and the Washington State Department of Transportation (WSDOT), lead agency for all eminent domain appraisal matters, to perform fee appraisal reviews for all public agencies and quasi-public agencies in Washington State. The undersigned reviewer is a state certified appraiser holding the General classification #1100496 and is on the *WSDOT List of Approved Fee Reviewers*.

Purpose of this Review

Overall, the purpose is to estimate the total Just Compensation due the owner for the taking of privately owned real property for the public project identified. For a partial taking, this is done by: estimating the Market Value of the subject Larger Parcel in the Before Situation; estimating the Market Value of the subject Larger Parcel in the After Situation; then subtracting the latter from the former. When a larger parcel's major improvements are unaffected by the taking/project other than simple cost to cure, the jurisdictional exception allows a Strip Appraisal Procedure wherein said improvements need not be valued.

Use of this Review

This review estimates Just Compensation due the owner and will be used to establish the first offer amount to be made to the owner by the Capitol Land Trust/its agents (client).

Scope of this Review

The commonly recognized valuation methods and techniques most appropriate for valuing the subject Larger Parcel were performed in this review. This review involved a reasonably detailed inspection of

the subject property, the subject neighborhood, and surrounding/competing neighborhoods. Sales and listings of competing properties were investigated before any conclusions of value were made.

Unless otherwise stated above, the Income and Cost Approaches to value were not employed in this review because the Sales Comparison Approach is sufficient to solve the subject appraisal problem.

Definition of the Larger Parcel

The "Larger Parcel" is the parent parcel; it is the real property that is the subject of this review. It is that real property that has Unity of Use, Unity of Ownership, and Contiguity.

Definition of Market Value

Market Value, as defined by the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 Edition, is: "...the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal."

Definition of Cash Equivalent

A price expressed in terms of cash (money) as distinguished from a price which is expressed all or partly in terms of the face amount of notes or other securities which cannot be sold at their face amount. Market data in this review are compared to the subject on an all cash basis to satisfy the definition of Fair Market Value.

APPRAISAL REVIEW ASSUMPTIONS and LIMITING CONDITIONS

1. The property description supplied to the reviewer is assumed to be correct;
2. No surveys of the properties have been made by the reviewer and no responsibility is assumed in connection with such matters. Title is assumed merchantable and vested as noted herein;
3. No responsibility is assumed for matters of a legal nature affecting title to the properties, nor is any opinion of title rendered;
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the reviewer;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified in review. The property is assumed to be under responsible ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions of the property, its subsoil, or its structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering or testing which may be required to discover them;
7. Unless otherwise stated, the existence of hazardous material, which may or may not be present in or on the property, was not observed by the reviewer. The reviewer has no knowledge of the existence of such materials on or in the property. The reviewer, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous/toxic materials may affect the value of the property. The value estimate in this review is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for the expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired;
8. Unless otherwise stated, no environmental impact studies were either requested or made in conjunction with this review, and the reviewer hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation;
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is specified, defined, and considered in this review;
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been specified, defined, and considered in this review;
11. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this review are based;
12. The reviewer will not be required to give testimony or appear in court because of having made this review unless arrangements have been previously made therefore,
13. Possession of this review or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the client without the written consent of the reviewer and in any event, only with properly written qualification and only in its entirety;
14. Neither all nor any part of the contents of this review, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the reviewer. Nor shall the reviewer, client, firm, or professional organization of which the reviewer is a member be identified without the written consent of the reviewer;
15. The liability of the reviewer, employees, and subcontractors is limited to the client only. There is no accountability, obligation, or liability to any other party. If this review is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The reviewer is in no way responsible for any costs incurred to discover or correct any deficiencies in the properties;
16. It is assumed that the public project which is the object of this review will be constructed in the manner proposed and in the reasonably foreseeable future.
17. Acceptance and/or use of this review constitutes acceptance of the foregoing assumptions and limiting conditions.

CERTIFICATE OF REVIEW APPRAISER

I, the review appraiser, certify to the best of o my knowledge and belief:

1. The facts and data reported by the review appraiser and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses opinion, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias 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 in this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
7. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP), with the *Uniform Appraisal Standards for Federal Land Acquisitions* (USFLA, the "Yellow Book") and with 49CFR Part 24.
8. I personally inspected the subject property of the appraisal under review on 7-15 2016. I personally inspected the comparable sales analyzed in the appraisal from 7-15-16.

No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the persons signing this certificate.

I further certify that if this review is to be used in conjunction with a Federal Aid Highway Project or other federally funded project, none of the approved just compensation herein is ineligible for Federal reimbursement.

Signature: 

Date Signed: July 16, 2016

Richard F. Duncan, MAI, Review Appraiser,
Washington State Certified Real Estate Appraiser: **General, # 1100496**

Appraiser's Qualifications

Richard F. Duncan, MAI

Experience:

- **Partner**, The Granger Company
- **President**, R.F. Duncan and Associates, Inc.
- **Fee Appraiser**, Anderson Appraisal, Inc., Olympia, Washington
- **Real Estate Appraiser**, Clark County, Department of Public Works
- **Real Estate Appraiser/Right-of-Way Agent**, Washington State Department of Transportation
- **Real Property Manager**, Phoenix Properties, Inc.

Education:

The Evergreen State College, Olympia, Washington
Bachelor of Arts, Major – Business Management, 1987

Appraisal Education:

Real Estate Courses:

- "Real Estate Law"
- "Real Estate Finance"
- "Real Estate Practices"
- "Principles of Real Estate Appraisal I"
- "Principles of Real Estate Appraisal II"
- "Uniform Standards of Professional Appraisal Practice"

Appraisal Institute Courses:

- Successfully challenged "Real Estate Appraisal Principles"
- Successfully challenged "Basic Valuation Principles"
- "Capitalization Theory and Techniques Part A"
- "Capitalization Theory and Techniques Part B"
- "Report Writing and Valuation Analysis"
- "Advanced Applications"
- "Standards of Professional Practice Part A"
- "Standards of Professional Practice Part B"

International Right-of-Way Association Courses:

- "Appraisal of Partial Acquisitions"
- "Principles of Real Estate Acquisition"
- "Engineering Plan Development and Application"

"Ethics and the Right-of-Way Profession"
"Communication in Real Estate Acquisition"
"Bargaining Negotiations"
"Relocation Assistance"
"Land Titles"

National Highway Institute Courses:

"Appraisal and Appraisal Review for Federal Aid Highway Programs"
"Moving Cost Estimating"

Business and Professional Organizations:

- Member, Appraisal Institute
- Certified Real Estate Appraiser (General) – State of Washington
#1100496

Types of Appraisal Assignments:

Apartments
Eminent Domain Takings – Strip and Before/After Reports
Funding Feasibility Studies for Governmental Projects (roads, parks, bike trails, etc.)
Office Buildings
Retail
Special Benefit Studies
Subdivisions
Undeveloped Land
Warehouses
Wetlands/Open Space
Appraisal Review