



APPRAISAL REPORT

Commercial Land

N. Willamette Street
Coburg, Lane County, Oregon
Parcel 1: Map 16-03-32-11
Portions of Tax Lot 1801 & 2001
Parcel 2: Map 16-03-33-23
Tax Lot 2500

VPA FILE: VPS 21-297

Date of Report:
September 6, 2021

Date of Value:
August 20, 2021



SUBMITTED TO:

Anne Heath
City Administrator
City of Coburg
Anne.heath@ci.coburg.or.us

PREPARED BY:

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September 6, 2021

Anne Heath
City Administrator
City of Coburg
Anne.heath@ci.coburg.or.us

RE: Commercial Land Parcels
N. Willamette Street
Coburg, Lane County, Oregon
Parcel 1: Map 16-03-32-11, Portions of Tax Lot 1801 & 2001
Parcel 2: Map 16-03-33-23, Tax Lot 2500

Dear Ms. Heath:

Per our agreement, I have prepared an appraisal of the above-referenced properties. The subject of this report consists of two parcels located off N. Willamette Street in Coburg, Lane County, Oregon. The parcels are proposed for a land swap between the City of Coburg and Shepard Investment Group, LLC. The purpose of this appraisal is to determine the value of each parcel for the potential land swap. Parcel 1 is an 0.20-acre hypothetical parcel located on the west side of N. Willamette Street; this parcel is a portion of Tax Lots 1801 & 2001 on Map 16-03-32-11 which will be assembled with an adjacent parcel as part of the land swap. Parcel 2 is 0.23 acres located on the east side of N. Willamette Street identified by the Lane County Department of Assessment and Taxation as Map 16-03-33-23, Tax Lot 2500. The properties are each zoned C-1, Central Business District with H, Historic and X, Architecturally Controlled Area overlays.

After an inspection of the subject properties, subsequent research, and analysis of pertinent market data, it is my opinion the market value of each parcel is as follows:

Value Conclusion Summary			
Value Premise	Interest Appraised	Date of Value	Conclusion
Hypothetical - Parcel 1	Fee Simple	August 20, 2021	\$230,000
As-Is - Parcel 2	Fee Simple	August 20, 2021	\$270,000

The following appraisal report details the basis and reasoning for the value conclusion. This report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation and complies with the reporting standards set forth under USPAP Standards Rule 2-2(a) for an Appraisal Report. Discussion contained in this report is specific to the needs of the client and for the stated intended use.



Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file. The appraiser is not responsible for unauthorized use of this report.

Extraordinary Assumptions & Hypothetical Conditions

Extraordinary Assumptions Employed: No

Hypothetical Conditions Employed: Yes

The value conclusion for Parcel 1 is subject to the hypothetical condition detailed below. The application of this hypothetical condition may impact the assignment results.

Hypothetical Condition

Parcel 1 is a portion of Tax Lots 1801 & 2001 on Map 16-03-32-11. A hypothetical condition of this analysis is that Parcel 1 was an independent, saleable site on the date of value. The application of this hypothetical condition may impact the assignment results.

Across the Fence Value

The highest and best use of Parcel 1 is for assemblage with an adjacent property (see analysis for further discussion). Parcel 1 does not provide utility for development as a stand-alone parcel given the lack of legal vehicular access and road frontage but does provide potential benefit for assemblage with an adjacent parcel. As such, the valuation of the subject property is based upon an analysis of the "Across the Fence" value of adjacent properties. This will be discussed further in the appraisal process section.

I certify this appraisal has been prepared in accordance with the Code of Professional Ethics and Standards of Professional Practices set forth by the Appraisal Institute. I certify that I have no present or contemplated interest in the property and the fee for making this appraisal is not predicated upon reporting any specified value or value range. Please call at your convenience if any additional data or information is required.

Respectfully submitted,

Zoe R. Swartz, MAI

zoe@viewpointappraisals.com

COVID-19 PANDEMIC

As of the date of value, the national emergency related to COVID-19 has continued to impact the financial markets. In this fluid market it is important to recognize the changes and that the appraisal contained herein reflects the appraiser's opinions regarding current market reactions and risk perception as of the specific date of value. In most markets it is not yet clear to what extent real estate values will ultimately be affected in the long term, however, impacts in the market to-date have been bifurcated depending on the industry, property type and location. Related, complicating factors include continued unemployment claims, executive orders regarding mask mandates and business restrictions, government financial support, fluctuations in the stock market and changes in mortgage interest rates.

The United States officially entered a recession in February 2020 after a record period of expansion. The pandemic and public health response have resulted in a downturn with different characteristics than prior recessions but the magnitude of the decline in employment and production and broad reach across the nation warranted the designation. The state and federal governments have spearheaded efforts to provide financial relief in the form of extended unemployment benefits, restrictions on evictions, stimulus payments for taxpayers and small business loans. In terms of relief, on December 27, 2020, former President Donald Trump signed a \$900 billion pandemic relief package to deliver long-sought cash to businesses and individuals and avert a federal government shutdown. President Joe Biden approved additional relief for struggling Americans, in the form of a \$1.9 trillion bill. His administration also pushed to accelerate the pace of vaccinations to control the spread of COVID-19 and allow the economy to open back up faster. After 17 months of government support, many of the financial assistance programs are ending, with those that have been authorized for extension being relatively small in the context of the previously provided supports. In addition, many at-risk renters across the nation will soon lose protections against evictions which have been in place since the onset of the pandemic. Programs which remain in-place through 2021 and into 2022 include the advanced and enhanced child tax credit payments and the automatic student loan deferment.

Discussions at the federal and state levels concerning the economy are ongoing and dependent on the recommendations of national and regional health authorities, but the recent full approval of the Pfizer-BioNTech COVID-19 vaccine on August 23, 2021, by the Federal Drug Administration has provided for relief from at-work health risks that initially fueled shutdowns. However, due to the delta variant, new cases and hospitalizations have skyrocketed in many parts of the nation, regardless of vaccination. On August 13, 2021, Kate Brown reinstated the mask mandate indoors for Oregon.

The recovery from pandemic disruption in the commercial real estate market has advanced more rapidly than industry experts expected and is gaining speed even as variants of COVID-19 loom as a potential threat. Unease remains regarding job growth and consumer spending as well as uncertainty regarding upcoming monetary policy decisions, but the amount of property distress across the county is fading faster than the market saw during the Great Recession. Real estate investment trusts have also rebounded strongly.

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Identification of the Problem					
Identify client and intended users	Identify the intended use	Identify the purpose of the assignment (type and definition of value)	Identify the effective date of the opinion	Identify the relevant characteristics of the property	Assignment conditions
Scope of Work Determination					

Client and Intended User

The client and intended user are Anne Heath, City of Coburg.

Purpose and Intended Use

The purpose of this report is to estimate the as-is market value of the two parcels. The intended use of this appraisal report is to determine the market value of each parcel for a potential land swap.

Interest Appraised

The interest appraised is the fee simple estate.

Date of Value Opinion

August 20, 2021.

Compliance & Competency Rule

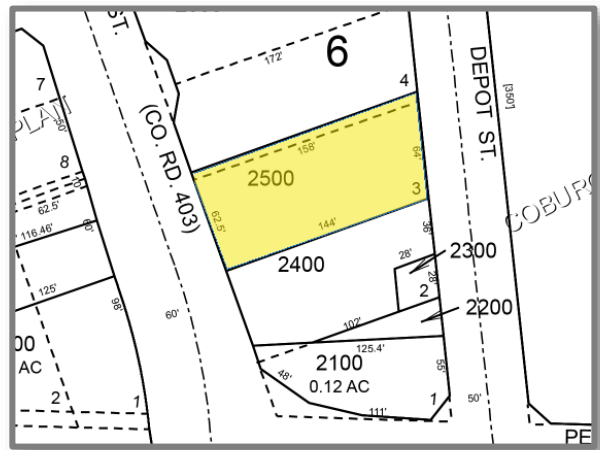
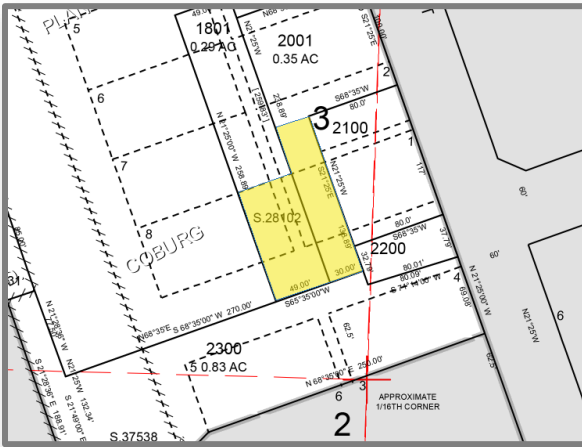
This appraisal has been prepared in compliance with the most recent revisions of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. Zoe R. Swartz, MAI has the knowledge and experience to complete this assignment competently, in compliance with the stated regulations.

Inspection Data

Zoe R. Swartz, MAI inspected the subject property on August 20, 2021.

RELEVANT PROPERTY CHARACTERISTICS

Two Parcels: N. Willamette Street, Coburg



Assessor's Identification:

Parcel 1 is a portion of Tax Lots 1801 & 2001 on Map 16-03-32-11 which will be assembled with an adjacent parcel as part of the land swap (see hypothetical condition). Parcel 2 is identified by the Lane County Department of Assessment and Taxation as Map 16-03-33-23, Tax Lot 2500.

Owner of Record:

Parcel 1 is owned by City of Coburg. Parcel 2 is owned by Shepard Investment Group, LLC.

Parcel Size:

Parcel 1 is an 0.20-acre hypothetical parcel. Parcel 2 is 0.23 acres.

Zoning:

The properties are each zoned C-1, Central Business District with H, Historic and X, Architecturally Controlled Area overlays.

Flood Hazard Area:

According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C0639F, effective June 2, 1999, the subject parcels are in Zone X, areas determined to be outside the 500-year flood.

Highest & Best Use – Parcel 1:

Assemblage with an adjacent parcel – see highest and best use for detailed discussion.

Highest & Best Use – Parcel 2:

Development with an allowable use in the C-1/H/X zone. The maximally productive use would be a mixed-use, maximizing the allowable residential component but taking advantage of the central commercial location.

SCOPE DETAILS

The scope of the appraisal assignment has been to collect, confirm, analyze, and interpret pertinent market data and other market forces to arrive at an estimate of market value of the subject property. This appraisal assignment has included a complete investigation of all pertinent data in relation to the subject property. This investigation included, but was not limited to:

- Personal inspection of the subject sites;
- Review of Lane County property records;
- Review of City of Coburg planning documents and discussions with the City of Coburg Planning Department;
- Research of market conditions;
- Interview of brokers and developers involved in real estate purchases and development in the immediate Coburg area;
- Research and analysis of sale transactions of comparable properties. Sources utilized include sales and listing data from real estate brokers, information from knowledgeable market participants, and real estate database services. Comparable sales analyzed in the appraisal report were confirmed either by a party to the transaction, or an agent or representative of a party to the transaction, or information from other real estate professionals and from public records;
- Application of the applicable approaches to value;
- Preparation of the written report conveying the appraiser's analyses and conclusions.

Approaches to Value

The Sales Comparison Approach was used to develop the opinion of market value for the subject property. The Cost Approach and Income Approach are not applicable and were not developed.

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.¹

When a site contains improvements, the highest and best use may be determined to be different than the existing use. The existing use will continue unless and until land value, in its highest and best use exceeds the sum of the value of the entire property in its existing use, and the cost to remove the improvements.

An additional implication is that the determination of the highest and best use results from the appraiser's judgment, that is, that the use determined from analysis represents an opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.³

Independent Site Value

Also called “stand-alone” value, the value of the property as an independent, separate commodity.⁴

1. Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago: Appraisal Institute, 2015).

2. Ibid.

3. 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.

4. Oregon Department of Transportation, *Guide to Appraising Real Property*, Rev. January, 2006

Assemblage Value

Value of the property as if it were merged with an adjoining property that would result in the greatest return. It is the most reasonable, physically possible, financially feasible, and legally possible use. Theoretically, the value of the subject may be less than, equal to, or greater than the adjacent property. As assemblage, Excess Property often is “equal to” the adjoining property; we refer to this as “across-the-fence” value. If the addition of Excess Property results in an increase in the adjoining parcel or value greater than anticipated value based on “across the fence” valuation we refer to it as Plottage Increment, or Enhancement Value.⁵

5. Ibid.

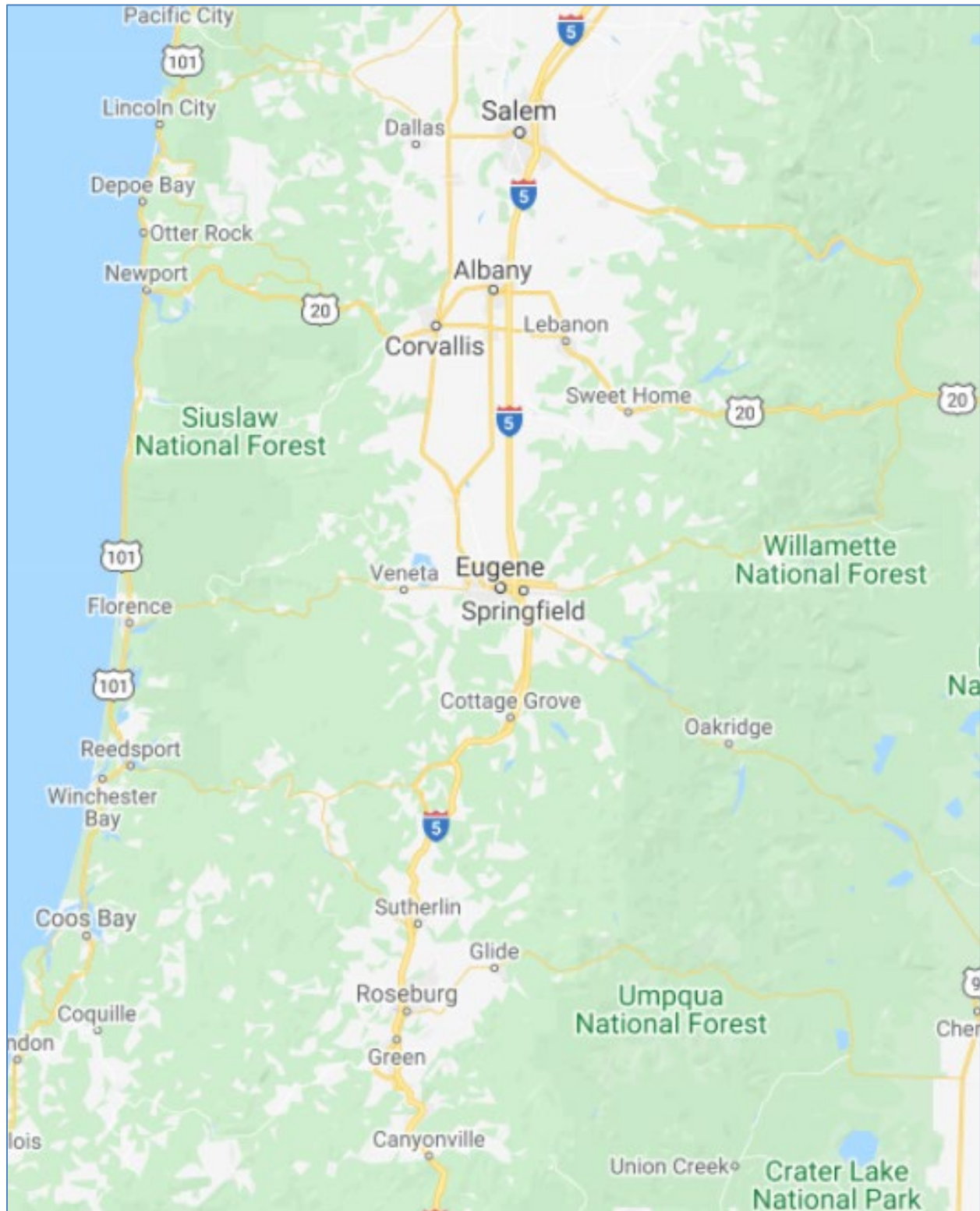
Data Collection and Property Description		
Market Area Data General characteristics of region, city and neighborhood	Subject Property Data Subject characteristics of land use and improvements, personal property, business assets, etc.	Comparable Property Data Sales, listings, offerings, vacancies, cost and depreciation, income and expenses, capitalization rates, etc.

In preparing this appraisal, information relative to the subject's region, city, and competitive neighborhoods was researched and considered. In addition to the information outlined in the scope of work, other pertinent factors that affect the value of the subject property, either directly or indirectly, were considered.

Data Sources	
INFORMATION	SOURCE
Address, tax information	Lane County records.
Zoning	City of Coburg.
Site size	Lane County records.
Flood plain information	Federal Emergency Management Agency (FEMA).
Property size, condition	Inspection and County records.
Sales and lease data	Appraisers' files; public records; local real estate brokers; local and national listing services, including CoStar and RMLS.
Market Information	PwC Real Estate Investor Survey, Marcus & Millichap publications, Co-Star publications, CBRE publications.

REGIONAL MAP

Source: Google Maps



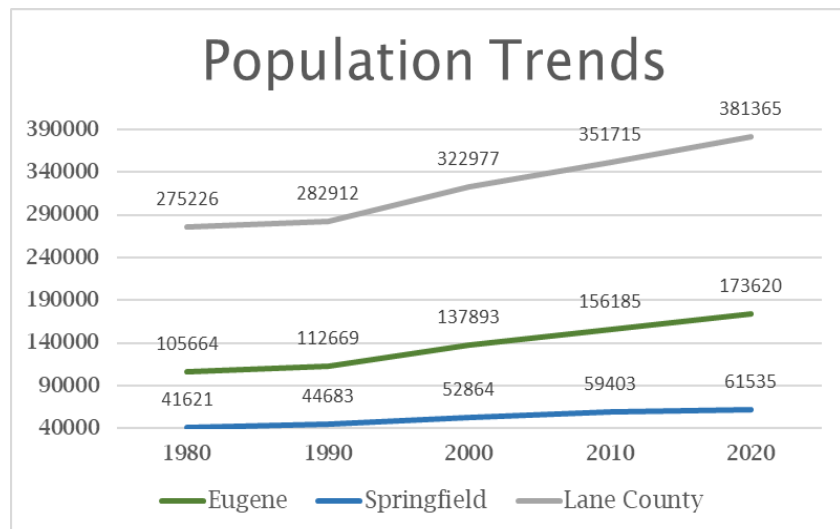
MARKET AREA DESCRIPTION

Eugene-Springfield Metropolitan Area

The Eugene-Springfield metropolitan statistical area (MSA) is the 146th largest statistical area in the US and the third largest in the state behind Salem and Portland. The Eugene-Springfield metropolitan area is in Lane County, in the central, western portion of the state of Oregon. The community is situated at the confluence of the McKenzie and Willamette rivers at the head of the Willamette Valley. The Willamette River flows northward from the southern valley to the Columbia River at Portland and Vancouver, Washington. The Eugene-Springfield metropolitan area is approximately 440 feet above sea level, and the topography of the area is flat valley floor and flood plain land. The head of the Willamette Valley is bordered by the Coast Range on the west and the Cascade Range foothills on the east; the area to the south is mountainous as well. The valley is open to the north. Eugene is home to the University of Oregon and is also known as “Track Town USA” for its running trails and Hayward Field, a historic track and field stadium which was recently rebuilt. Springfield, historically a mill town, is situated between the McKenzie River and the middle fork of the Willamette River. Bedroom communities within commuting distance of the larger metropolitan area include Veneta, Junction City, Harrisburg, Coburg, Creswell, and Cottage Grove. The metropolitan area is popular for its natural beauty and rich recreational opportunities bolstered by its proximity to the Cascade Mountains, Willamette Valley vineyards, and Oregon coast.

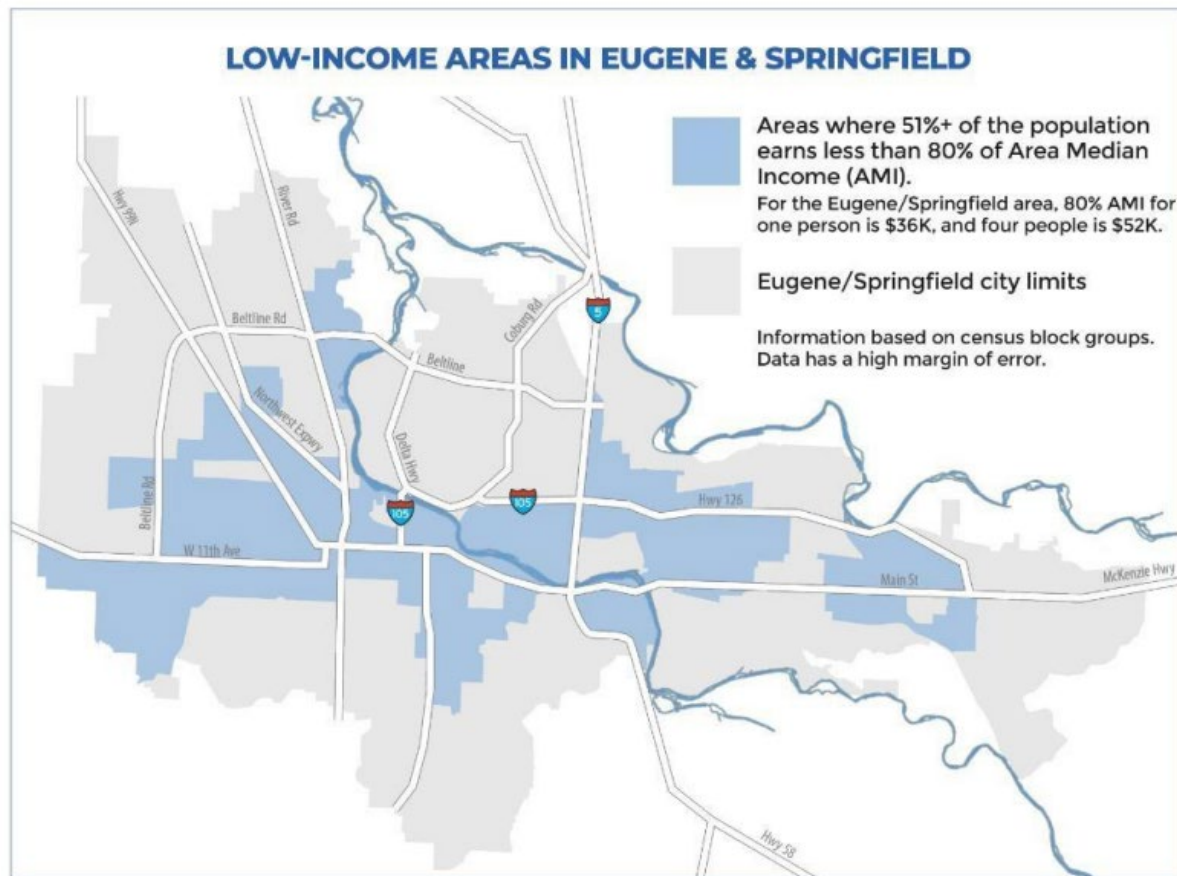
Population & Demographics

Eugene’s 2020 population was 173,620 and Springfield’s population was 61,535, for a combined population for Eugene/Springfield of 235,155 people. This is compared to Lane County which has 381,365 people and Oregon which has 4,268,055 people. The growth of Eugene, Springfield, Lane County and Oregon by decade is summarized in the chart. Population has continued



to increase in all areas but at a slowed growth rate. Springfield in particular has had a dramatically slowed population increases compared to the remainder of the state and to prior years’ growth, most likely due to limited availability of housing in this area. The population of Eugene and Springfield is aging, with the percentage of persons between 60 and 75 years of age nearly doubling in the last 20 years. Family households make up the largest percentage of households, however, the largest growth in household type has been non-family households. According to the Eugene-Springfield 2020 Consolidated Plan for Housing & Community Development, median household income for both Eugene

and Springfield is lower than the US and Lane County as a whole with approximately 20% of households in both cities having incomes below the poverty levels.



Real Estate Development Patterns

The regional area has experienced market expansions and recessions parallel to the national economy. High growth periods occurred in the 1920's, 1960's, 1970's, 1990's, mid 2000's and most recently in the last few years through 2020. The late 2000s economic recession severely curtailed new development in almost all segments of the local market area but this most recent expansion has increased development activity, absorption of vacant lots, and lowered vacancy throughout the market area.

Residential Development—

The majority of the area was built-out prior to the 1980's with average-quality homes. New construction expanded in the early 1990's until the recession beginning in 2008. A substantial housing inventory of newer, higher-quality homes was added during this time. Over 10,000 new single-family homes have been added in Eugene and Springfield in the last 20 years, or an average of 500 per year. However, only 3,000 of those housing units were added in the last 10 years, indicating a significant slowdown in construction pace in the last decade. This was due in part to the recession but is also due to high construction costs and limited land supply. The slowed average of 300 new homes per year is well below projected need.

Multi-family development in Eugene features primarily wood-frame, garden-court-style suburban apartment complexes constructed over the last 50 years. In recent years, several luxury housing projects have emerged which feature low to mid-rise buildings, high quality construction and good on-site amenities. Over 9,000 new apartment units have been constructed in Eugene over the past 20 years, or 450 units per year on average. Most of the construction between 2010 and 2014 was located on the University of Oregon campus as this area of development thrived even during the recession due to enrollment increases and lack of housing supply. Campus development accounts for approximately 3,500 units (or nearly 40%) of the new units added in the last two decades. Low inventory of single-family homes (well under 3 months inventory) suggests substantial demand for new single-family housing units. Vacancy remains low in multi-family developments, although, with the substantial new inventory added to the area it is likely that rents will stabilize through 2021 with a potential rise in vacancy as the market surpasses equilibrium. In the last 10 years Eugene has shifted to a majority renter-occupied City, whereas Springfield has retained a slight majority of owner-occupied homes.



A variety of assisted housing developments serve low-income persons in the cities of Eugene and Springfield. There are approximately 4,500 assisted living developments in both cities including projects with Section 8, Low-Income Housing Tax Credits, or other project-based subsidies. There are approximately 1,800 households on public housing waiting lists with typical wait times between 1 and 5 years, indicating a vast under-supply of affordable housing units in the area.

Commercial and Industrial Development—

Retail development includes a CBD in Eugene's downtown core, The Shoppes at Gateway and Valley River Center, the areas two regional malls, Oakway Center, and a wide range of neighborhood shopping centers.



Downtown Eugene contains a large amount of office space with city, county, and federal governments occupying the largest share. The downtown Springfield area has a limited supply of general office space, with government agencies occupying the majority of what is available. Over the past 15 years, newer offices have been developed in the Coburg Road, Chad Drive, and Crescent Avenue subareas in north Eugene, as well as in the Gateway subarea in northwest Springfield.

The Eugene-Springfield metropolitan area has several established industrial neighborhoods. The West Eugene industrial neighborhood is the largest and most heavily developed industrial area in the city of Eugene. Other industrial development in Eugene is located near Highway 99N/Airport Road, a developing area with a large amount of vacant land. Industrial development in Springfield is located on the south side of South A Street and in areas near Olympic Street and 42nd Street

Economic Conditions

The Eugene-Springfield metropolitan area is the regional hub for manufacturing, services and government in the southern Willamette Valley. Lane County has a diverse economy which has further expanded in the most recent expansion. Once heavily reliant on forest product manufacturing, the local economy has expanded in the last few decades to include an increasing number of jobs in service industries, food and beverage, tech companies and health care. According to the Oregon Employment Department, the principal employers as of 2019 include a heavy concentration in healthcare, government and education. Wages have risen since the Great Recession, but the loss of manufacturing jobs has tempered wage growth overall in the region.

Lane County 2019 Principal Employers

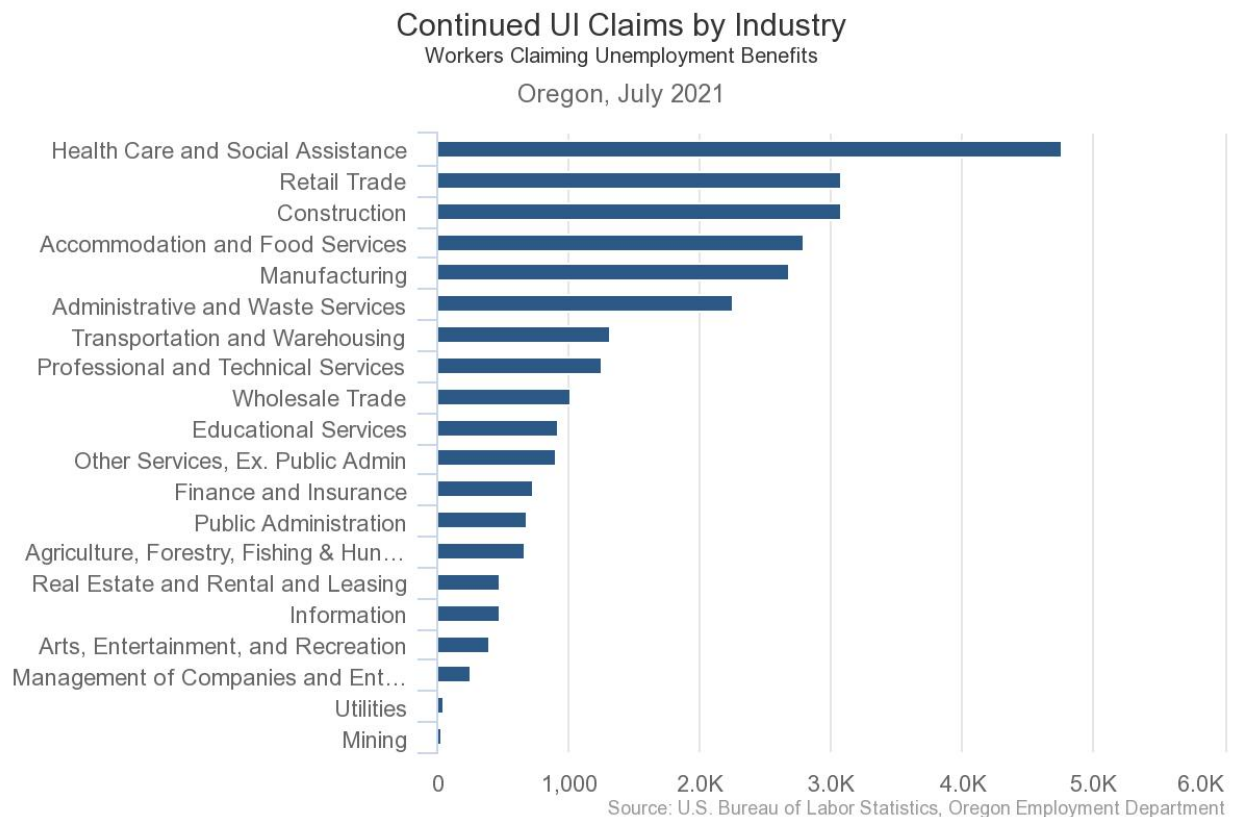
	Total 2019	Percent of Total Employment
Peace Health Corp	5,855	3.77%
University of Oregon	5,573	3.57%
Eugene 4J School District	2,283	1.46%
City of Eugene	1,866	1.20%
U.S. Government	1,747	1.12%
Oregon State Government	1,715	1.10%
Lane County Government	1,678	1.07%
Springfield School District	1,670	1.07%
Lane Community College	1,500	0.96%
McKenzie Willamette Medical	1,066	0.68%
Total Principal Employer	24,982	16.01%

Source: Oregon Employment Department; Eugene Area Chamber of Commerce

The Eugene-Springfield metro area saw a gradual but consistent recovery from the Great Recession of the late 2000s into 2019 and had gained back all of the jobs lost by the end of 2016 with continued unemployment declines into the economic expansion. Not all sectors returned to pre-recession levels, however, most experienced a substantial recovery, including financial activities, construction, manufacturing and information up until the pandemic.

Statewide, Oregon's economy continued to expand through 2019, and per capita personal income was rising. However, in March 2020, the COVID-19 pandemic became a matter of government concern in Oregon. The effect on employment in Oregon was almost immediate.

By the end of March 2020, there were 44,000 weekly unemployment claims processed, with many more pending, compared to 3,600 to 3,700 weekly claims at the beginning of the month.⁶ By mid-April 2020 it is estimated that over 300,000 initial unemployment insurance claims were received in the state of Oregon. The most affected industries to date are health care, retail trade, construction and hospitality trade. As of June 2021, the unemployment rate was 5.6% in Oregon and 6.2% in Lane County.



Across the state, the impacts of the COVID-19 recession have been evident, along with a combination of other disruptions that have affected local employers and workers in different ways. The most recent economic forecast from the Oregon Office of Economic Analysis (OEA) indicates “the economy is emerging from a dark winter. The resurgent virus of a few months ago is in full retreat. The outlook brightens with every inoculation. The stage is set for stronger economic growth this year and next than the U.S. has experienced in decades, possibly generations. The combination of increased vaccinations, large and swift federal policy responses, and a more resilient underlying economy, results in a cycle unlike anything experienced before.” The OEA further projects “the economy will return to full employment by early 2023, or 6-9 months sooner than expected in previous forecasts.”

Transportation

The metropolitan area is served by the Interstate 5 (I-5) freeway, the westernmost interstate freeway system in the U.S., which extends the length of the West Coast. This

⁶ Sykes, Shawna. “COVID-19 Causes Spike in NW Oregon Unemployment Claims.” Worksource Oregon, 4 April 2020, Web.

freeway bisects the metropolitan area from north to south and forms the boundary between Eugene and Springfield. Interstate 105 (I-105), an inter-urban freeway, traverses I-5 connecting Eugene and Springfield. Several major state highways pass through the community and provide a direct route of travel to the major markets throughout the region. The city of Eugene is a major switching area for the Union Pacific and BSNF railroads. Motor freight carriers and the Greyhound bus line also service the metropolitan area. Eugene Airport, also known as Mahlon Sweet Field, is the fifth-largest airport in the Pacific Northwest and the largest non-hub airport in the nation, providing commercial air service to major cities in six western states.⁷ The Port of Coos Bay, located 120 miles to the southwest, is the largest deep-draft coastal harbor between San Francisco Bay and Puget Sound, and is Oregon's second-busiest maritime commerce center.⁸

Education

The metropolitan area is served by three school districts: Eugene, Springfield and Bethel, containing a total of 35 elementary schools, three K-8 schools, 15 middle schools, seven comprehensive high schools, four alternative high schools, an international high school program on multiple campuses, three K-12 language immersion programs, and a life skills program. There are six charter schools among the three districts. The area is also served by several parochial and college preparatory schools.

Eugene is the home of the University of Oregon, Lane Community College, Gutenberg College, Northwest Christian /Bushnell University and New Hope Christian College. The University of Oregon (UO) is a four-year state university with an enrollment approximately 23,000 students. UO has earned national and international recognition for excellence in its law school, business, journalism and music colleges, as well as its chemistry, creative writing, psychology and special education programs.

Lane Community College (LCC), a two-year public college, includes general education courses, lower-division college transfer courses, and occupational training. Over 36,000 students take credit or noncredit classes at LCC, which has the third largest enrollment of credit students of the 17 community colleges in Oregon. The main campus is located in south Eugene with a satellite campus located in Downtown Eugene. LCC also offers a Flight Technology Center at the Eugene Airport, community learning centers in Cottage Grove and Florence, and several outreach centers in area high schools and other sites.



Utilities & Community Services

Water and sewerage are provided by local municipalities, while solid waste disposal service falls to various private firms. Eugene Water and Electric Board, Springfield Utility

⁷ Eugene Airport Media Guide, Eugene Airport website, <http://flyeug.com>.

⁸ Oregon International Port of Coos Bay, "Navigation & Channel Data," <http://www.portcoosbay.com>.

Board, and Northwest Natural Gas serve most areas throughout Eugene and Springfield. The cities have individual police departments and are involved in a phased consolidation of the fire departments, while outlying areas are served by rural fire districts and the county sheriff's department. Three hospitals serve the region. Sacred Heart Medical Center at RiverBend, opened in the Gateway area of Springfield in 2008 by non-profit operator PeaceHealth, is licensed for 338 beds and is the only Level II trauma center in Lane County. Sacred Heart Medical Center University District, a 104-bed specialty hospital, is located near the University of Oregon campus in central Eugene. Since completion of RiverBend, PeaceHealth has invested substantially in the University District hospital. McKenzie-Willamette Medical Center, an investor-owned acute care hospital licensed for 114 beds, is located in the north-central neighborhood of Springfield. Additionally, the State of Oregon opened a 211,000-square-foot, 174-bed state psychiatric hospital in Junction City in 2015.⁹ In 2016, the U.S. Department of Veterans Affairs opened a 126,000-square-foot hospital in northeast Eugene. The hospital is estimated to have cost \$50 million, and services include surgeries, podiatry and dental care.

Government Controls & Regulations

Eugene and Springfield are both governed by a mayor/city council/city manager form of government. Lane County has a commission form of government with five county commission districts. Eugene is the county seat. Oregon and Lane County rely on income and property tax receipts for school, local, state and general funding; there is no sales tax in Oregon.

Oregon has one of the most comprehensive land use planning systems in the United States. The system was established in the early 1970s as a way to facilitate orderly development, control urban sprawl and preserve farmland. Each local government was required to establish an Urban Growth Boundary (UGB) and develop a plan in which growth outside the boundary cannot take place until the interior of the boundary is filled. The State Land Conservation and Development Commission (LCDC) was established to oversee the process. Local planning departments and commissions retain the authority to direct growth in their respective jurisdictions, and adherence to the goals of the statewide land use planning system varies within in the state. The state Land Use Board of Appeals (LUBA) was established to settle disputes not resolved at the local level. Citizens may challenge local decisions by appealing to LUBA.

Summary & Trends

Eugene and Springfield are typical western American cities in that they were founded on, and still somewhat depend on, resource-based industries. The local economy tends to parallel national and state business cycles and trends and experienced an atypically long expansion period up through early 2020. The United States officially entered a recession in February 2020 after a record period of expansion. The COVID-19 pandemic and public health response resulted in a downturn with different characteristics than prior recessions but the magnitude of the decline in employment and production and broad reach across the nation warranted the designation.

⁹ Carillo, Angelica. "New psychiatric hospital in Junction City to welcome first patients this week." *KMTR*. 8 March 2015. Web.

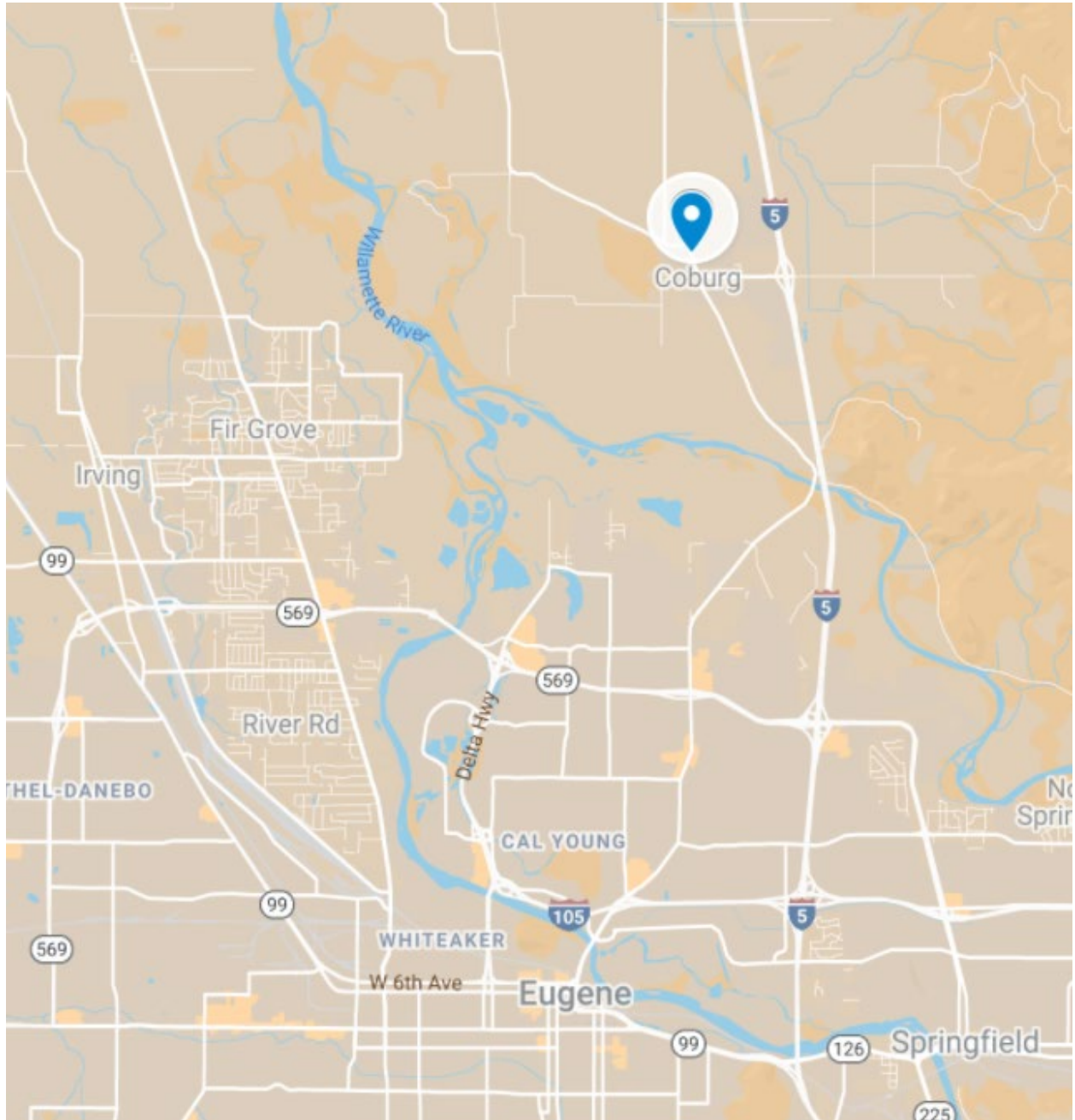
Discussions at the federal and state levels concerning the economy are ongoing and dependent on the recommendations of national and regional health authorities, but the recent full approval of the Pfizer-BioNTech COVID-19 vaccine on August 23, 2021, by the Federal Drug Administration has provided for relief from at-work health risks that initially fueled shutdowns. However, due to the delta variant, new cases and hospitalizations have skyrocketed in many parts of the nation, regardless of vaccination. On August 13, 2021, Kate Brown reinstated the mask mandate indoors for Oregon.

The recovery from pandemic disruption in the commercial real estate market has advanced more rapidly than industry experts expected and is gaining speed even as variants of COVID-19 loom as a potential threat. Unease remains regarding job growth and consumer spending as well as uncertainty regarding upcoming monetary policy decisions, but the amount of property distress across the county is fading faster than the market saw during the Great Recession. Real estate investment trusts have also rebounded strongly.

Historically, real estate values have appreciated and depreciated with the swings of the local economy and the amount of in-migration. Real estate values appreciated over the most recent economic expansion cycle, with higher transaction volume over the past few years as interest rates have remained low. In the near term it is anticipated that the hospitality, retail and office sectors will continue to be perceived as slightly higher-risk property types, with full recovery dependent on the evolution of the pandemic. The near-term outlook for multi-family and industrial properties is for stability in the coming months as the pandemic continues to linger.

CITY MAP

Source: Google Maps



NEIGHBORHOOD MAP

Source: Google Earth



NEIGHBORHOOD DESCRIPTION

Coburg



The subject property is in the city of Coburg in Lane County, Oregon. The area is generally bordered by the Willamette River to the west, the McKenzie River to the south, the I-5 freeway to the east and the north boundary line of Lane County to the north. These boundaries define the area surrounding the subject, but the market area for the subject extends northerly to the center of the Willamette Valley.

The city of Coburg is a small rural community with a population of approximately 1,200 persons, located approximately 2-3 miles north of the McKenzie River and 4-5 miles north of the city of Eugene. The majority of the city is located on the west side of Interstate 5; however, a section of land on the east side of Interstate 5 has been annexed to the city. The following information describes the various land uses and trends in the Coburg area:

Population & Growth

In the decade between the early 1990s and early 2000s, the population of Coburg grew at a relatively high rate, increasing by approximately 30% in that timeframe. In response to governmental regulations, and for purposes of long-term planning, the City of Coburg has completed a population growth estimate for the city for the next 20 years. The population forecast is summarized below and projects an anticipated population growth of 5.32% annually. This chart was extracted from the 2010 Coburg Urbanization Study, as updated by the June 2014 Addendum. The population in Coburg is expected to be 3,363 by 2034, or an increase of 2,260 residents over the 20-year planning period. The forecasts were based on a consideration of long-term demographic trends and Coburg's position for growth as a result of a new wastewater treatment system.

Table 4.1 Population Growth 2010-2030

	2010 Coordinated Population	Adopted 2010-2030 AAGR	Coordinated Population UGB Total	Change 2010 - 2030
Coburg	1,103	5.32%	3,363	2,260
Lane County	333,350	0.88%		

Commercial Development

Commercial development is generally located along the east and west sides of Coburg Road/Willamette Street through the center of the city. Commercial developments are relatively limited in terms of scope, consisting primarily of smaller retail stores (older homes converted to antique stores), a small grocery store, and several office facilities. Due to the proximity of Coburg to the Eugene/Springfield area, resulting in easy access to larger commercial facilities, commercial growth in Coburg is expected to be relatively slow. Significant changes in population will tend to increase commercial development and with the relatively recent completion of a wastewater treatment center, Coburg is in a much better competitive position to attract potential commercial users. There are a

number of interchange-related commercial developments located directly off Interstate 5. These developments are primarily related to interstate thru-traffic, catering to food and fuel needs. The area is the new home to Serenity Lane Health Service's 15-acre campus on Coburg Industrial Way. The facility has approximately 90,000 square feet of building space spread among nearly a dozen facilities, including residence halls, a dining area, hospital services, a family and children's area and a small outdoor amphitheater.

Industrial Development

The Coburg industrial area is located adjacent to the Interstate 5 freeway at the northeast portion of the city. Industrial development in the area includes the former Monaco RV manufacturing facility (now the Coburg North Industrial Park) and other industrial properties including a luxury motorcoach manufacturer (Marathon Coach), heavy equipment/commercial truck repair facilities, as well as RV sales and storage lots and construction contractors.

Coburg's economic well-being was historically tied to the RV industry prior to the "Great Recession." The luxury RV sector experienced a significant decline during the recession. Monaco Coach, one of the largest RV manufacturers in Coburg with 3,000 employees, filed for Chapter 11 bankruptcy protection in March 2009. After a long furlough, 2,000 employees were terminated. Illinois-based Navistar International purchased Monaco in June 2009 and re-opened the Coburg production plant. In March 2012, Monaco announced that it would be halting production of motorized RVs in Coburg and consolidating that manufacturing in its Indiana plant, resulting in 255 layoffs by April 2012. The former Monaco Coach facility was purchased by a local developer in 2012 and has since been converted into an industrial condominium development (Coburg North Industrial Park) with the individual buildings in the park being offered for sale or lease. The industrial park has reemerging as a hub for local commerce as there have been several businesses located in the park since the 2012 acquisition.

There is also a significant amount of activity occurring outside of the industrial park with recent construction of a trucking facility and retail Camping World "Super Center" on Roberts Road. The business will sell new and used motor homes and towables, including Holiday Rambler, Monaco, Winnebago and other brands, offer maintenance and repair, and sell camping accessories.

Residential Development

Residential development in Coburg has followed the trends in other small rural communities near the Eugene/Springfield metropolitan area. As home prices increased in Eugene/Springfield, many home buyers looked to close-in outlying rural areas such as Coburg, Junction City, Veneta, Cottage Grove and Creswell. Coburg, one of the closer smaller rural towns in the Eugene/Springfield area, subsequently saw significant growth in population, which was followed by a relatively rapid development of vacant residentially zoned land, primarily for single-family residential housing.

A significant portion of the existing housing stock in Coburg is relatively old, dating back to 1900. There are numerous historical dwellings in the Coburg area, and the new construction within the city has attempted to complement the style of the older historic dwellings. Most of the newer single-family residential construction in Coburg occurred

in three areas of the city. New two-story homes of above average to good quality were constructed along Vintage Way and Christian Way in southwest Coburg. A new housing development was also constructed in northeast Coburg near Shane Street, just west of the Coburg Industrial Park. There was also a significant amount of single-family rural residential development, particularly east of I-5 and north/south of Van Duyn Road. A gated rural community was established in the 1980s and has seen significant success with large custom homes.

Cloud 9 Ranch located on the south side of Van Duyn and approximately 2 miles of Interstate 5 was developed in approximately 1999-2000 and experienced significant demand, generating very high prices for rural homes sites approximately 10 acres in size. Diamond Ridge is the most recent rural residential development in this area.

Multi-family residential development in Coburg is generally limited to duplexes and other similar multi-family structures. There are no standard apartment complexes located in Coburg. The Urbanization Study projected the number of new housing units needed over the 20-year planning period and made suggestions regarding development density.

Transportation

Primary access to the city of Coburg is via the Van Duyn exit off Interstate 5 or via Coburg Road. A \$2.2 million I-5 interchange improvement project at Industrial Way in Coburg was completed in July 2013. The project was designed to improve the efficiency and safety of travel on Pearl Street, Coburg Industrial Way, and Roberts Road in Coburg. In addition, the project improved drainage and water treatment for run-off from the roadways by installing water quality facilities and improved the bicycle/pedestrian facilities allowing for connectivity to the Coburg Loop Path. ODOT and the Coburg Transportation System Plan identify several additional improvements to the interchange over the next 20 years, including complete replacement of the I-5 bridge and further improvements to the interchange ramps. Lane Transit District offers a bus route between Coburg and downtown Eugene with stops at the Coburg North Industrial Park and downtown Coburg.

Public Facilities

The City of Coburg provides water to the majority of the properties within the existing city limits and operates several community water systems located in small rural subdivisions just north of Coburg. Electric service is generally provided by Emerald People's Utility District.

The City of Coburg completed construction of a new \$26.5 million sewer system in the spring of 2013. As of August 2014, the connection to the new wastewater project was complete. The new system, the Septic Tank Effluent Pump, or STEP system, collects the wastewater and sends it to a treatment plant through pressurized lines. At the plant, a membrane bioreactor system treats the wastewater before it is released back into the environment. The sewer system utilizes an on-site liquid wastewater treatment facility and treats solid waste at another facility. Prior to the new sewer system, properties operated on private septic systems, which created a number of issues relating to groundwater pollution.

Summary

Overall, Coburg is poised for substantial growth with the new sewer system in place. As the cities of Eugene and Springfield have grown and land has become more scarce and less affordable, growth pressure has been placed on the smaller surrounding communities, all of which saw rapid development in the residential market sector prior to the most recent recession and are projected to see increased development moving forward given the strong residential market. From a demand perspective, Coburg is much closer to the Eugene-Springfield metropolitan area than the other competing communities, and demand for additional development will likely be higher than in surrounding rural areas.

PROPERTY DATA

Legal Description

A Preliminary Title Report was not provided. Parcel 1 is a portion of Tax Lots 1801 & 2001 on Map 16-03-32-11 which will be assembled with an adjacent parcel as part of the land swap (see hypothetical condition). A copy of the survey for the proposed configuration of Parcel 1 is included within the Addenda of this report. Parcel 2 is identified by the Lane County Department of Assessment and Taxation as Map 16-03-33-23, Tax Lot 2500.

History and Ownership

According to Lane County records, Parcel 1 is owned by *City of Coburg*. Parcel 2 is owned by *Shepard Investment Group, LLC*. There have been no sale transactions involving ownership of either parcel in the past five years that would be indicative of market value.

Present Use

Parcel 1 is utilized as parking for the building on Tax Lot 2001 (City owned). Parcel 2 is vacant land.

Tax and Assessment Data

Owners of real and business personal property pay property taxes according to the assessed value of taxable residential, commercial, farm, industrial, utility and timber property. County assessors use permanent rates set for all taxing districts in fiscal year 1997-98, when taxes were significantly reduced with a statewide average 17% cut in tax levies. Certain types of levies are outside this reduction. The tax rates cannot exceed \$15 per \$1,000 of real market value. For 1997-98, all property was valued by county assessors at 90% of the July 1, 1995, levels. For subsequent years, assessed values are limited to a 3% annual growth rate. Construction since July 1, 1995, is valued at the average rate of similar properties in the area. One-third payment is due by November 15. If fully paid by November 15, a 3% discount is allowed. Special exemptions, tax relief programs and deferrals are available. The certified real market value, assessed value, and taxes by the Lane County Department of Assessment and Taxation are as follows for Parcel 2. Parcel 1 does not have assessment information as a hypothetical parcel.

Tax and Assessment Data 2020-2021

<i>Tax Lot</i>	<i>Account</i>	<i>Land</i>	<i>Improvements*</i>	<i>RMV Total</i>	<i>Assessed</i>	<i>Taxes</i>
2500	0043206	\$135,597	\$0	\$135,597	\$80,284	\$1,346.54

Pertinent Conditions of Title

A Preliminary Title Report was not provided. Upon physical inspection of the subject parcels, no easements, encroachments, or encumbrances were noted that would have a negative impact on the subject sites when compared to competing properties. ***A specific assumption of this report is that no negative easements affect the subject property. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.***

SUBJECT PHOTOGRAPHS

Photographs Taken by Zoe R. Swartz, MAI on August 20, 2021



Viewing south across Parcel 1.



Viewing north across Parcel 1.



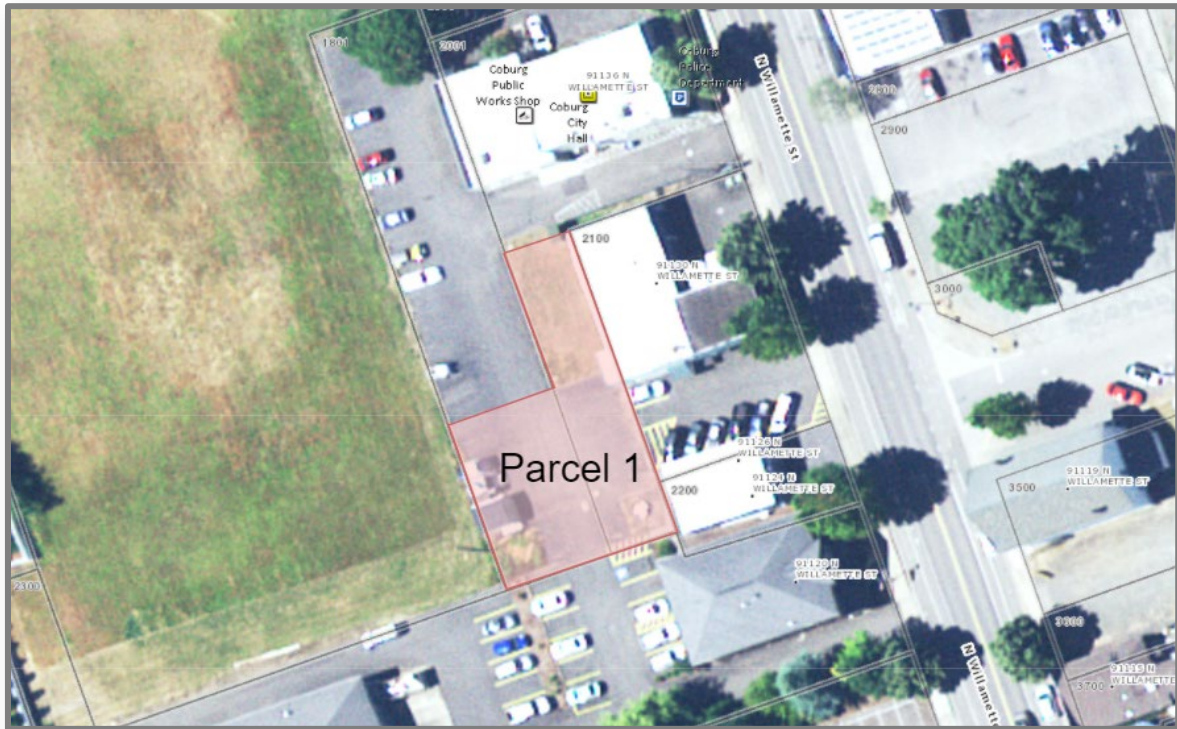
Viewing west across Parcel 2.



Viewing east across Parcel 2.

SITE DESCRIPTION

Parcel 1: Map 16-03-32-11 Portions of Tax Lot 1801 & 2001



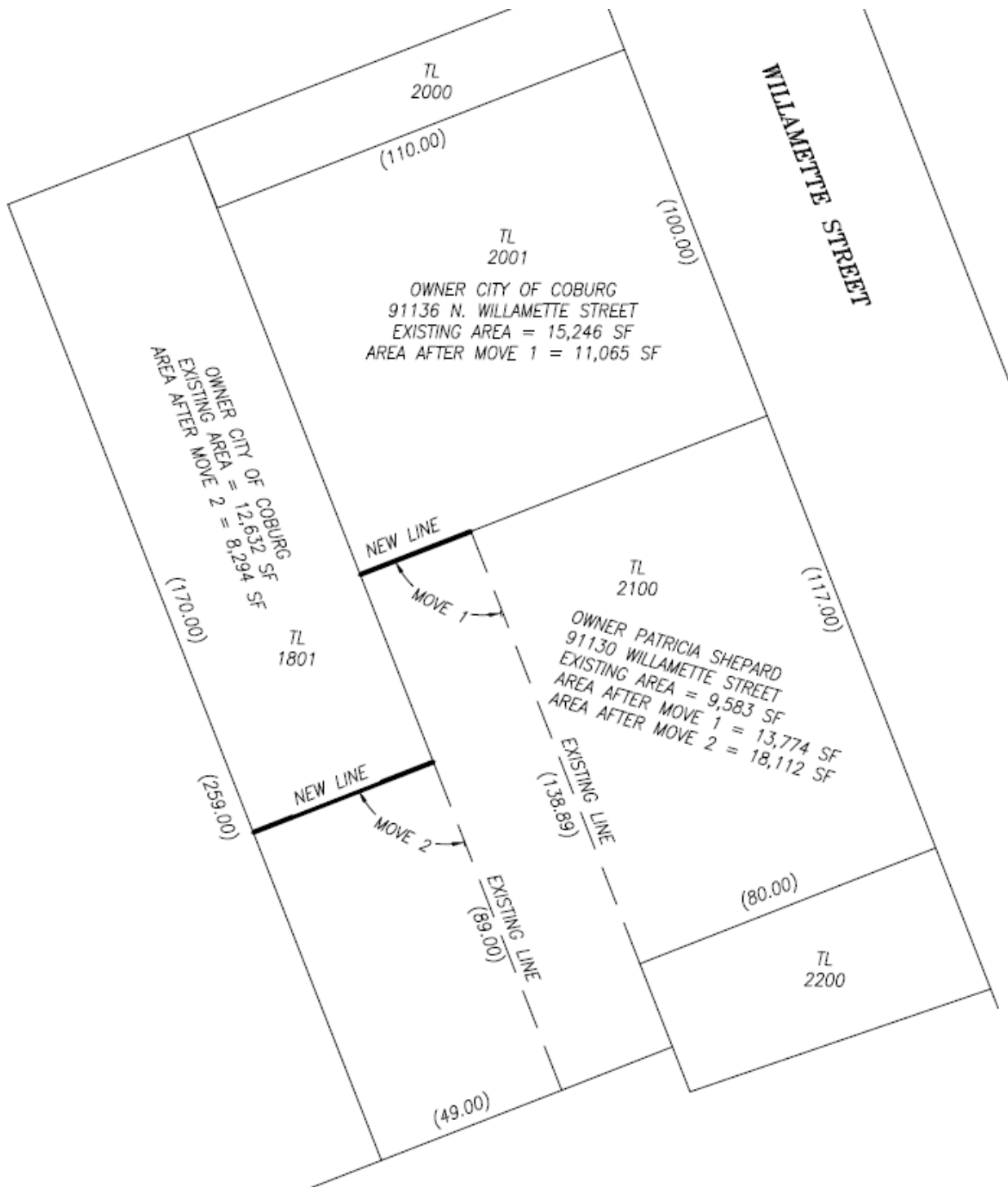
- Site Size:** Parcel 1 is an 0.20-acre hypothetical parcel, according to the provided survey. Parcel 1 is a portion of two larger tax lots owned by the City of Coburg (Tax Lots 1801 & 2001 on Map 16-03-32-11). Based on the survey, the site size is 8,529 square feet.
- Shape/Topography:** The site is “L” shaped, level, and at-grade with surrounding properties.
- Abutting Properties:** A large vacant commercial tract of land is located directly east of the property, followed by residential developments. City Hall and the Police Department are located to the north and commercial developments are located to the west and south.
- Utilities:** All public utilities are available to the subject property. Wastewater services for properties in Coburg are provided by Septic Tank Effluent Pump Systems (STEP Systems), where wastewater flows from buildings to a septic tank on the property. The tanks have electric pumps that pump the liquid wastes out of the tank into a city-wide collection system. The Coburg Public Works Department maintains and operates a public, potable water system comprised of two wells, a

booster pump station capable of supplying 3,500 gallons per minutes for fire flow to the industrial area, and two 500,000 gallon above ground storage tanks. The system has approximately 450 residential connections and 70 commercial connections.

Exposure & Frontage:	The site has no traffic exposure or frontage.
Accessibility:	There is no independent access to Parcel 1. General access and freeway access are good at the subject's location.
Flood Hazard Area:	According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C0639F, effective June 2, 1999, the subject property is in Zone X, areas determined to be outside the 500-year flood.
Hazardous Wastes:	An environmental site assessment of the subject property was not provided. The assignment results are predicated on the assumption that there are no hazardous wastes on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process. <i>It should be understood the appraiser is not an expert in this field and if there is further concern regarding hazardous materials, further research is advised.</i>
Site Rating:	Overall, the subject is rated as a below average commercial site with good overall location in Downtown Coburg but below average exposure and no independent accessibility.
Site Improvements:	Site improvements include asphalt paving with striped parking and grass areas. A small shed (personal property) is also included on the subject property but is not considered in this analysis.

SURVEY

Provided by Client



ABUTTING PROPERTY DESCRIPTIONS

Across the Fence Value Site(s)



Site Size: The surrounding properties include the larger parcel owned by the City (0.69 acres), the commercial properties directly east (0.22 acres & 0.07 acres) and the commercial property directly south (0.83 acres).

Zoning: Surrounding sites are zoned C-1, Central Business District with H, Historic and X, Architecturally Controlled Area overlays.

Shape/Topography: The surrounding property shapes vary. The larger parcel is "L" shaped, the two commercial properties to the east are rectangular and the property to the south is irregular in shape. Each site is level and at grade with surrounding properties.

Exposure & Frontage: Each surrounding property has frontage and exposure to N. Willamette Street.

Accessibility: Each surrounding property has access to some degree from

N. Willamette Street; each with single-street access.

Flood Hazard Area:

According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C0639F, effective June 2, 1999, the surrounding sites are in Zone X, areas determined to be outside the 500-year flood.

SITE DESCRIPTION

Parcel 2: Map 16-03-33-23, Tax Lot 2500



- Site Size:** Parcel 2 is 0.23 acres or 10,019 square feet, per Lane County records.
- Shape/Topography:** The subject site is nearly rectangular, level, and at grade with surrounding properties.
- Abutting Properties:** The Pavilion Park, owned by the City of Coburg, is located to the north. Commercial development is located to the south and across N. Willamette Street to the west. N. Harrison Street is located directly east.
- Utilities:** All public utilities are available to the subject property. Wastewater services for properties in Coburg are provided by Septic Tank Effluent Pump Systems (STEP Systems), where wastewater flows from buildings to a septic tank on the property. The tanks have electric pumps that pump the liquid wastes out of the tank into a city-wide collection system. The Coburg Public Works Department maintains and operates a public, potable water system comprised of two wells, a booster pump station capable of supplying 3,500 gallons per minutes for fire flow to the industrial area, and two 500,000 gallon above ground storage tanks. The system has

approximately 450 residential connections and 70 commercial connections.

Exposure & Frontage: The site has exposure to N. Willamette Street and N. Harrison Street.

Accessibility: Access is available from both N. Willamette Street and N. Harrison Street. General access and freeway access are good at the subject's location.

Flood Hazard Area: According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C0639F, effective June 2, 1999, the subject property is in Zone X, areas determined to be outside the 500-year flood.

Hazardous Wastes: An environmental site assessment of the subject property was not provided. The assignment results are predicated on the assumption that there are no hazardous wastes on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process. ***It should be understood the appraiser is not an expert in this field and if there is further concern regarding hazardous materials, further research is advised.***

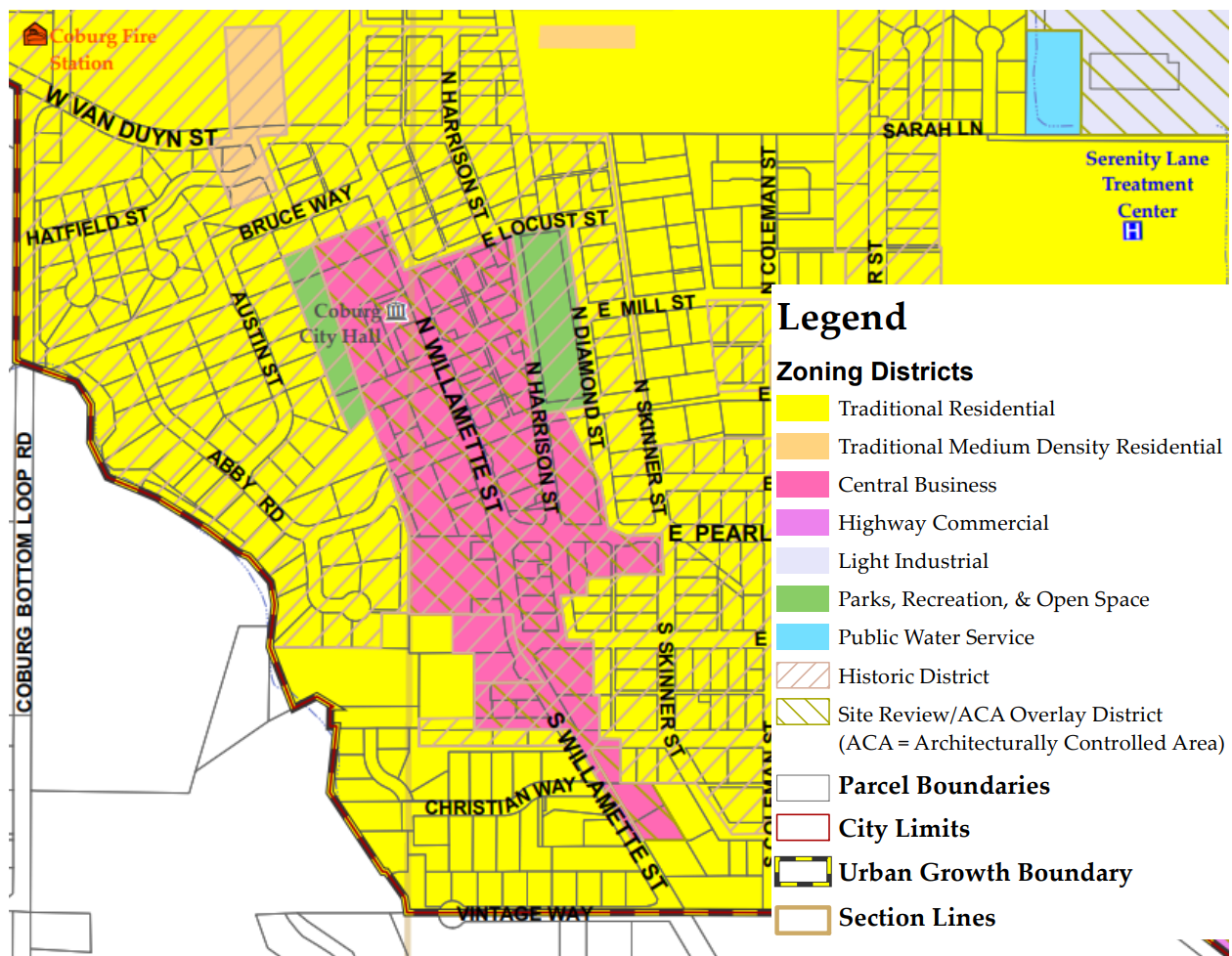
Site Rating: Overall, the subject is rated as a good commercial site with excellent exposure and good accessibility from two streets in the Downtown Coburg area.

Site Improvements: There are no site improvements.

ZONING ANALYSIS

City of Coburg

The properties are each zoned C-1, Central Business District with an H, Historic and X, Architecturally Controlled Area overlay. The following is a summary of the zoning ordinance extracted from the City of Coburg Development Code, amended November 2019. The sites are also each designated by the City of Coburg Comprehensive Plan as Central Business District sites. Updates to the City of Coburg Development code are in progress but have not been codified as of the date of value. Based on conversations with a member of the sub-committee responsible for making recommendations for the proposed amendments, many of the proposed changes relate to design requirements to ensure preservation of the City's character, rather than any expansion or reduction in allowable uses within the zone.



Central Business District (C-1)

1. Purpose. The Central Business District is intended to preserve and enhance the downtown area as the historic heart of the community. Coburg's downtown is the

community's central location for commercial services, civic functions and mixed use. The district regulations are intended to ensure the downtown reflects the small town and historic character of Coburg, and provides an attractive, pedestrian-oriented setting.

2. Uses and Structures

a. Permitted Principal Uses and Structures (subject to Site Design Review provisions in ARTICLE XI)

- (1) Business and Professional Offices
- (2) Civic uses and facilities such as government offices and facilities, libraries, community centers and fire stations
- (3) Clubs, Lodges, Fraternities and similar uses
- (4) Mixed-use development (a residential use with another permitted use), subject to standards in Article VIII.
- (5) Personal services(e.g., childcare, catering/food services, restaurants, dry cleaners, barbershops and salons, and similar uses) up to a 10,000 square-foot footprint.
- (6) Public parking lots and structures
- (7) Public parks, playgrounds and recreational facilities
- (8) Retail and Wholesale Stores and Shops provided that: (i) Yard setbacks and other open areas shall not be used for the storage of business inventory, merchandise, equipment, or building materials, or for any scrap or salvage operation, storage or sale. (ii) The footprint of the building is no larger than 10,000 square feet. (iii) For wholesale uses: The ground floor facing the principal commercial street shall be used only for commercial sales or business or professional offices.
- (9) Banks, lending and financial institutions, without drive-up facilities
- (10) Existing agricultural, horticultural, and livestock uses(no new uses). Agricultural, horticultural, and livestock uses in operation on the effective date of this Code shall be deemed nonconforming uses and shall continue to operate subject to the provisions of ARTICLE VI of this Code.
- (11) Single-family Dwellings on individual lots with frontage on a local or collector street, or on individual lots with frontage on an arterial street where the single-family dwelling existed before January 1, 2018.
- (12) Except as prohibited under subsection c. below, multi-family dwellings subject to the design standards of ARTICLE VIII.L.4**
- (13) Mobile food carts, subject to obtaining a business license and certain standards in ARTICLE VIII.N

b. Permitted Accessory Uses and Structures

- (1) All accessory uses normal and incidental to the uses permitted in this district.

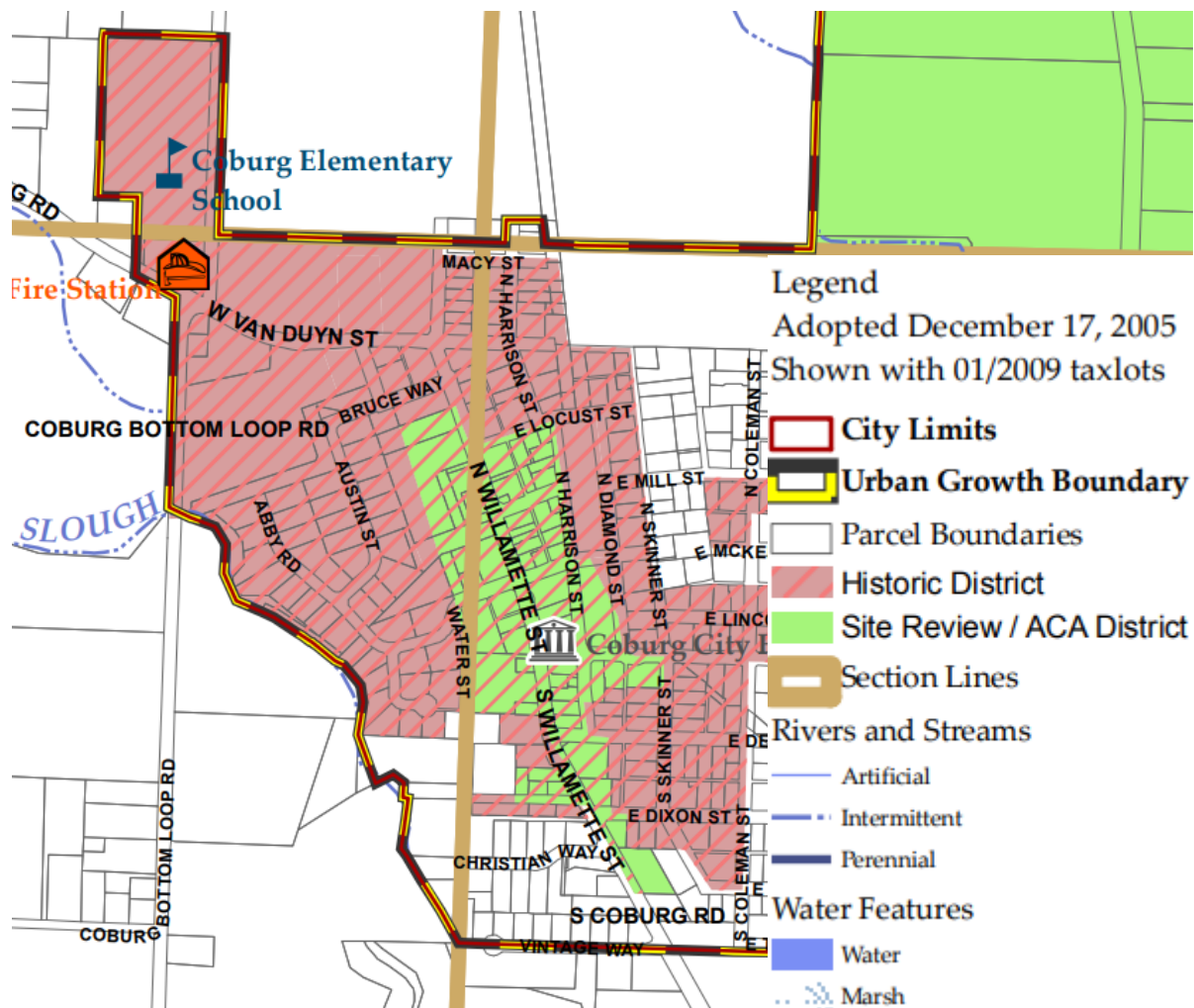
c. Conditional Uses. The following uses require a conditional use permit under the procedure, criteria, and standards of ARTICLE X.III.

- (1) Amusement establishments
- (2) Clinics and laboratories, including animal clinics except that animals may be boarded overnight only when being medically treated in the clinic
- (3) Places of worship and accessory activities and facilities, except rescue missions or temporary revivals, which are prohibited
- (4) Small-scale manufacturing or processing, provided that the front 25 feet of the building's ground floor facing the principal commercial street shall be used for commercial uses or business or professional offices

- (5) Farmers' markets
- (6) Drive-up, drive-in and drive-through uses not related to food service or alcoholic beverage sales, which are prohibited; subject to the standards in ARTICLE VIII.Q.
- (7) Alteration or demolition of identified historical resource as listed in the Coburg Comprehensive Plan and/or in Article IX
- (8) Drinking Establishments not including restaurants and alcohol beverage sales

d. Prohibited Uses

- (1) New Manufactured Dwelling Parks
- (2) New agricultural, horticultural, and livestock uses
- (3) New vehicle service and gasoline stations
- (4) Drive-up, drive-in and drive-through facilities related to food service or alcoholic beverage sales
- (5) Schools
- (6) Any permitted or conditional use that creates odor, dust, smoke, noise, or vibration that is perceptible beyond the property boundaries
- (7) Ground-floor multi-family dwellings facing Willamette Street**
- (8) All uses not listed as permitted, accessory, or conditional use



A.

Architecturally Controlled Areas

Any portion of any district may be designated for nominal architectural control wherein such controls are essential to scenic preservation or the stabilization of land values. Such areas shall be designated on the Official Zone Map by the district symbol, followed by 'X'. Within such areas an applicant for a construction permit must first have preliminary plans, specifications, and uses approved by the Planning Commission. Said plans, specifications and uses must be filed with the construction permit application at least 15 days prior to a scheduled Planning Commission meeting.

B. Site Review Permit

All architecturally controlled areas require a site review permit as set forth in Article IX. Land Use Review and Site Design Review, Section C Land Use Review Criteria and Procedure [administrative amendment to implement Ord. A-200B, 01/08/08]

11. Historic Building Design

The following historic building exterior design elements are required for all new construction and major renovations in order to maintain and improve the historic storefront character of the downtown. Historic Structures are also subject to the conditional use criteria in Article XIV.

- a. Decorative doors, transom and clerestory windows.
- b. Windows with trim comparable in style to that commonly used on other historic buildings in the C-1 district.
- c. 40-80 percent of ground floor façade facing the street, measured horizontally, shall have windows. The lower edge of these windows shall be no more than 30 inches above the sidewalk.
- d. The pitch and style of rooflines shall be comparable to existing historic rooflines, such as a 4 in 12 pitch.
- e. Surface detailing is required for blank walls (permitted on non-street facing facades only) and shall include offsets, windows, siding, murals, or other similar features.
- f. Weather protection for pedestrians (awnings or canopies). Lighted or bubble awnings are not allowed.

Additional Information

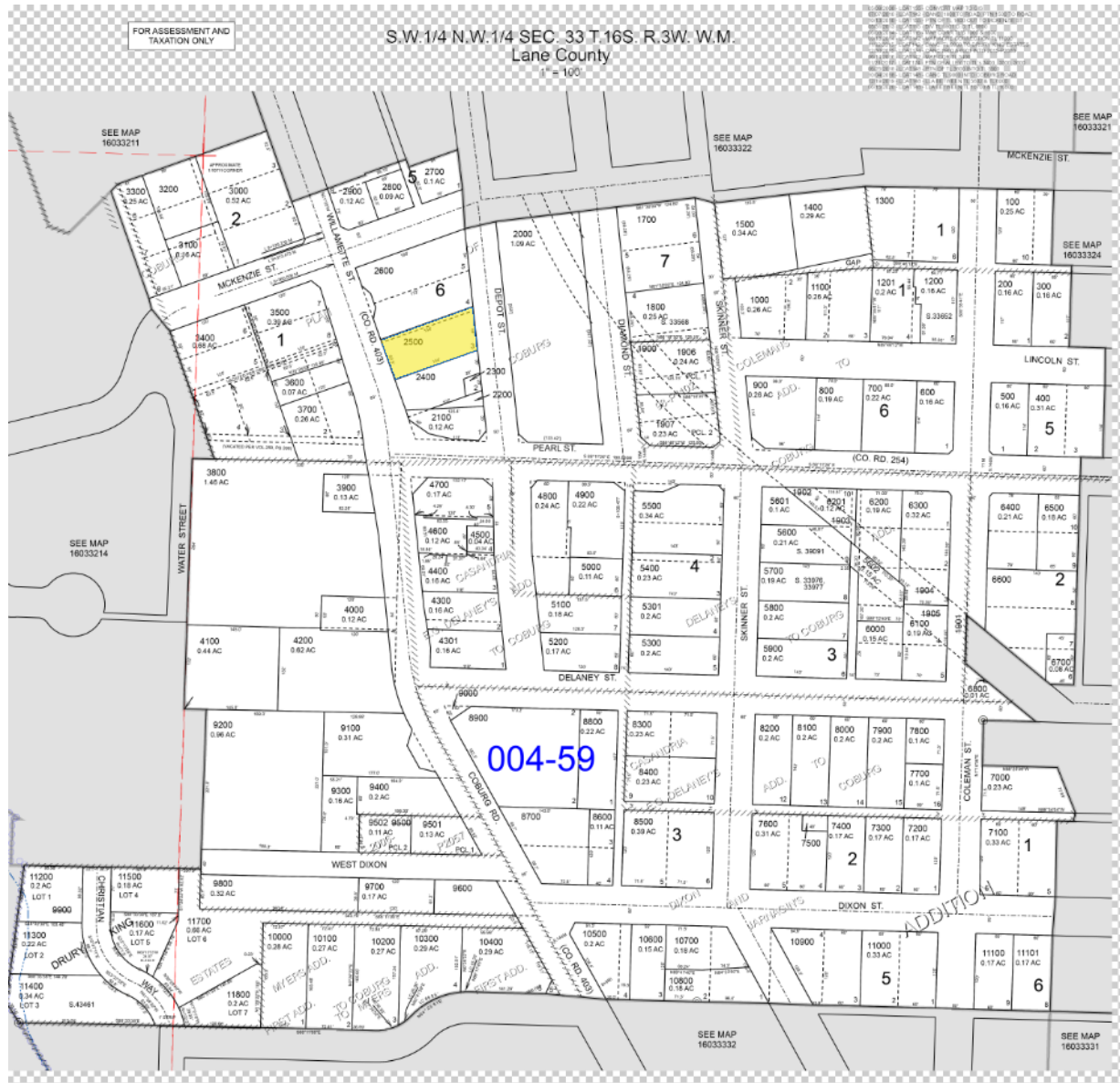
The development code, which includes building standards and permitted uses, is available on the City of Coburg's website:

https://www.coburgoregon.org/sites/default/files/fileattachments/planning/page/133/ord_a-200-i_development_code.pdf

Parcel 1: Lane County



Parcel 2: Lane County





Highest and Best Use

Parcel 1

The term *Highest and Best Use* was previously defined, and the definition applies specifically to the highest and best use of land. To pass the test of highest and best use, a property use must be legally permissible, physically possible, and financially feasible or marketable. Therefore, in the measurement of highest and best use, the ability of the subject property to meet these criteria was analyzed. The legal considerations primarily focus on the zoning of the site, which is C-1, Central Business District with an H, Historic and X, Architecturally Controlled Area overlay. The site is also designated by the City of Coburg Comprehensive Plan as Central Business District. The zoning permits for a wide range of commercial uses including business and professional offices, mixed use with a residential component, public parks, retail and wholesale, banks, and some provisions for single-family dwellings with frontage on a local or collector street on individual lots. However, the site could not be developed independently with a new structure given the lack of access and street frontage. The site could legally continue as a parking lot or be combined with an adjacent site for further development.

The physical characteristics and location of the subject have been previously described. The site has no exposure or access as a stand-alone parcel. Given its legal and physical characteristics with no reasonable legal access, there is no identifiable economic use or independent site value. As such, the most likely use is for assemblage with an adjacent property. The subject property has several adjacent sites to which it could be assembled for an economic use, including the undeveloped land to the west, the larger parcel (City owned), and the three commercial sites bordering the west and south. Without legal access to the subject, physical uses would be limited to providing added utility either as parking or future expansion/development area to adjacent uses. For appraisal purposes, an economic use must be identified. The legal and physical characteristics of the subject property suggest assemblage with an adjacent property as indicated above. Given the shape, size and configuration of the site, the greatest assembly benefit would be with an already improved parcel rather than the vacant land to the west, as this would provide the highest utility as added parking areas to these improved parcels. There is good demand and need for parking in the Downtown Coburg area.

Assembling the subject property is not essential to the existing or potential uses of the adjacent properties but would provide some benefit for the existing and potential future uses of each parcel. Therefore, the highest and best use of the subject property is concluded to be for assemblage with an adjacent property for continuation as supportive parking, with recognition of the potential for future development as a component of one of the adjacent parcels (expansion of the existing use or redevelopment). Given that there are several potential adjacent properties which could benefit from assemblage, a bi-lateral monopoly does not exist and there would be a true market for assemblage. A bilateral monopoly is “a market in which a single seller (a monopoly) is confronted with a single buyer (a monopsony).” The maximally productive use of surrounding properties, as-if vacant, would be commensurate with the maximally productive use discussed on the following page for Parcel 2; that being a mixed-use development maximizing the permitted residential component and density.

Highest and Best Use

Parcel 2

The term *Highest and Best Use* was previously defined, and the definition applies specifically to the highest and best use of land. To pass the test of highest and best use, a property use must be legally permissible, physically possible, and financially feasible or marketable. Therefore, in the measurement of highest and best use, the ability of the subject property to meet these criteria was analyzed.

The legal considerations primarily focus on the zoning of the site, which is C-1, Central Business District with an H, Historic and X, Architecturally Controlled Area overlay. The site is also designated by the City of Coburg Comprehensive Plan as Central Business District. The zoning permits for a wide range of commercial uses including business and professional offices, mixed use with a residential component, public parks, retail and wholesale, banks, and some provisions for single-family dwellings with frontage on a local or collector street on individual lots. Multi-family development is permitted with no specific density requirements, but ground floor units are not permitted fronting N. Willamette Street (i.e., a mixed-use would be required for any multi-family development, with some small commercial component at the street frontage).

The physical characteristics and location of the subject have been previously described. The site has good exposure and accessibility to both N. Willamette Street & N. Harrison Street but with a low frontage to depth ratio. The site is surrounded predominately by commercial uses with a public park to the north. The site would be suitable for a wide range of commercial and mixed uses. The Coburg area has limited land available for development and residential units have grown and are projected to continue to grow as public utility services are improved and expanded. The area will continue to have demand for community commercial uses and demand for additional housing units given the charm and appeal of the City as well as the location near Eugene and within commuting distance to Corvallis and several other bedroom communities. Given high construction costs, particularly given the design requirements in the Coburg code, outright commercial development is generally not feasible as of the current date, but multi-family development has remained feasible in most areas due to high demand and resulting low vacancy and high rent levels.

Given the location, frontage, accessibility and demand in the market, the maximally productive use would be a mixed-use, maximizing the allowable residential component but taking advantage of the central commercial location and satisfying the requirement for commercial use fronting N. Willamette Street.

Application of the Approaches to Value		
Cost Approach	Sales Comparison Approach	Income Capitalization Approach

The next portion of this appraisal process deals directly with the valuation of the property. The appraisal process that is applied to most real estate properties is designed to evaluate all factors that influence value. Regional and neighborhood information has been presented to inform the reader of general outside influences that may affect value. In addition, the subject property has been described in detail. The Highest and Best Use section has been provided to evaluate the effect of legal, physical, and market considerations that influence the use of the property.

The Cost Approach is based upon the principle that the value of the property is significantly related to its physical characteristics and that no one would pay more for a project than it would cost to build a like project in today's market on a comparable site. In this approach, the market value of the site is estimated and added to the estimated value of the improvements.

The Sales Comparison Approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of a similar property in the market. In active markets with a reasonable number of physically similar comparable sales, this approach is generally considered to be a good indicator of value.

The Income Approach is based on the premise that commercial properties are income-producing, and that investors purchase these properties based on their income-producing ability. In the Income Approach, market rent is established for the subject property, net operating income (NOI) is calculated by deducting typical operating expenses and a market-derived capitalization rate is applied to convert the estimate of NOI into value.

Valuation Process

The Sales Comparison Approach was used to develop the opinion of market value for the subject property. The Cost Approach and Income Approach are not applicable and were not developed.

The valuation of Parcel 1 will be based upon an analysis of the "Across the Fence" value of adjacent properties. Given that there are several potential adjacent properties which could benefit from assemblage, a bi-lateral monopoly does not exist and there would be a true market for assemblage. A bilateral monopoly is "a market in which a single seller (a monopoly) is confronted with a single buyer (a monopsony)." The across the fence value is concluded based on the approximate per square foot land value of the surrounding properties. No discount is warranted in the absence of a bi-lateral monopoly.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. In active markets with many physically similar comparables, this approach is generally considered a good indicator of value. For analysis purposes, a common unit of comparison, which would be the most common method utilized by purchasers for the type of property being appraised, is established.

An extensive search was made in the immediate area of the subject property for comparable land sales that share similarities with the subject property. Given the lack of recent land sales in the immediate area of Coburg, it was necessary to expand the geographic search parameters. Special consideration is given to existing site improvements and highest and best use of each comparable. Development in the smaller communities continues to be limited for outright commercial uses due to feasibility challenges associated with demand and cost of construction which puts downward pressure on land values.

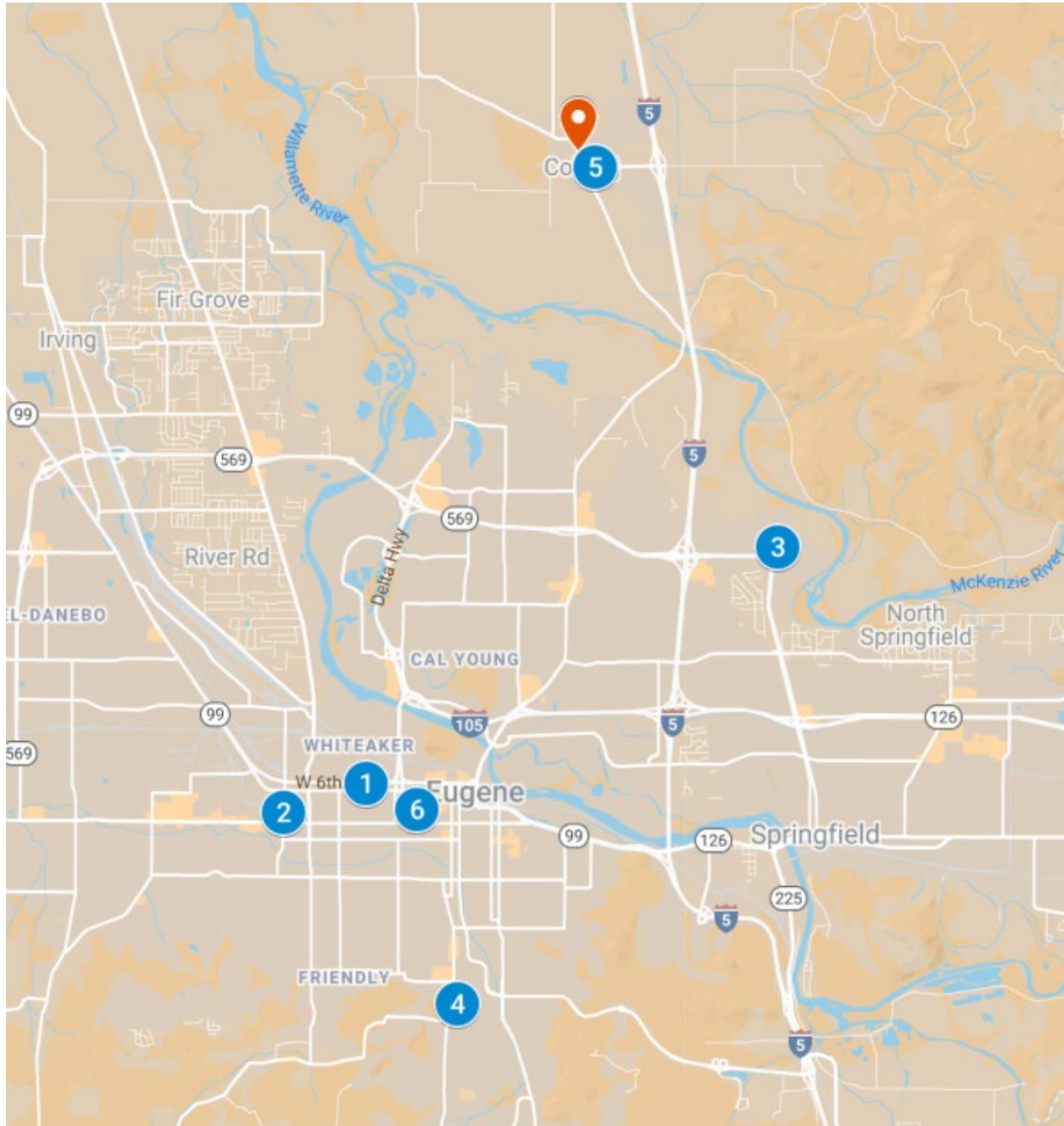
The highest prices achieved in most areas in the last few years are parcels which are suitable for outright residential development, which is considered when comparing to the subject site(s) and in the selection of the data set, as the highest and best use of the subject parcels is concluded to be mixed use, maximizing the residential component, but a small percentage of ground floor commercial would still be required fronting N. Willamette Street. The sales include sales purchased for outright commercial development as well as residential development; the lowest sales in the dataset are those which cannot be built out with a residential use or which have density restrictions.

A qualitative analysis reflecting market behavior is utilized to determine which comparables are superior or inferior to the subject. This analysis establishes value parameters for the site, allowing for a conclusion of value. Consideration will be given to differences in location and market conditions, as well as typical physical characteristics of the sale properties in comparison to the subject. The sales presented share similarities to the subject on an overall basis and are considered to provide a reasonable comparison. The selected sales are considered the best available comparable data.

The sales are summarized on the following pages. Transaction details for each sale, including photographs and maps, are included. A sale location map is also provided.

LAND SALE COMPARABLE LOCATION MAP

Source: Google Maps



Improved Sale Summary Chart

NO.	LOCATION	SALE DATE	SALE PRICE	SITE SIZE	ZONING	PRICE/SF	COMMENTS
COMMERCIAL SITES							
1	6 th & Blair Boulevard Eugene	4/19	\$671,500	27,007 sf (0.62 acres)	C-2	\$24.86	Includes three tax lots at the corner of 6th avenue and Blair Street that are improved with older structures that are planned for demolition. Access is available from 6th Avenue and Blair Street via an alley. Area suitable for mixed-use.
2	980 Garfield Street Eugene	11/20	\$470,000	17,860 sf (0.41 acre)	E-2	\$26.32	Rectangular parcel with level topography and frontage on Garfield Street. The site is paved and there is a tenant-owned modular office on the site. 5-year ground lease. Commercial location.
MULTI-FAMILY SITES							
3	287 Deadmond Ferry Springfield	11/20	\$405,000	37,026 sf (0.85 acre)	MDR	\$10.94	Site near RiverBend Hospital purchased for development with an 18-unit apartment project. Single access. 21 units per acre. Lower density allowance in MDR zone.
4	3049 Willamette Street Eugene	7/20	\$420,000	13,939 sf (0.32 acre)	R-2	\$30.13	Multi-family site in South Eugene. Improved with single-family residence planned for demolition and redevelopment of the site with a new 6-unit project. Lower density allowance in R-2 zone.
5	32720 E. Pearl Street Coburg	9/20	\$455,000	14,810 sf (0.34 acre)	C-1/H/X	\$30.72	Land purchased originally for multi-family development in 2018 and re-sold most recently with a site-specific design for 12 townhouse units and potential for additional units or live work (ultimately approved for 14 units). Listed at \$470,000. 41 units per acre.
6	341 W. Broadway Alley Eugene	9/20	\$650,000	16,553 sf (0.38 acre)	S-DW	\$39.27	Parking lot in Downtown Eugene proposed for development with a 20-unit apartment project. 53 units per acre density proposed.

Sale Comparable #1



Location: 6th Avenue and Blair Street
Eugene, Oregon

TRANSACTION

Grantor: Martin E. Henner
Grantee: Daniel Brawn
Date: 29-Apr-2019
Recording: 2019-16430
Sale Price: \$671,500
Terms: Cash to seller

REAL ESTATE

Site

Shape: irregular
Topography: level
Access: Two streets and an alley
Land Area: 0.62 (27,007 sq ft)
Usable Land Area: 0.62 (27,007 sq ft)
Zoning: C-2, Community Commercial
Map: 17-04-36-11 & 17-03-31-22
Tax Lot: 7100, 7200 and 2400
Flood Zone: Outside Flood Zone

Improvements

Utilities: All public utilities are available
Proposed Use: Commercial redevelopment.
Improvements: Old buildings planned for demolition.
Comments: Includes three tax lots at the corner of 6th avenue and Blair Street that are improved with older structures that are planned for demolition. Access is available from 6th Avenue and Blair Street via an alley.

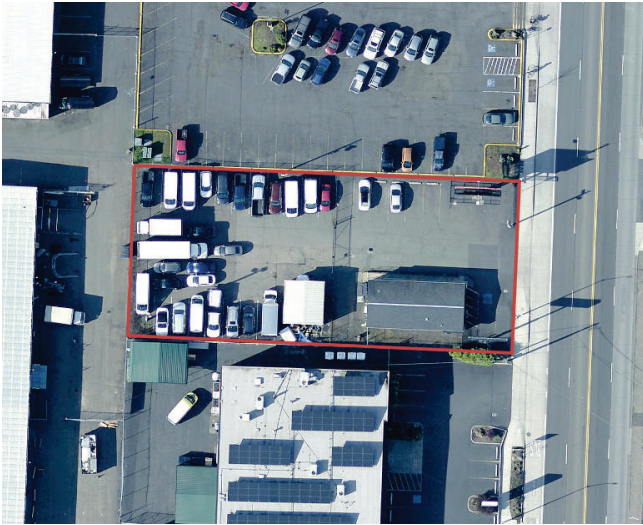
Units of Comparison

Price/sf: \$24.86
Price/acre: \$1,083,065

Confirmation: Martin E. Henner
Contact: martyhenner@gmail.com



Sale Comparable #2



Location: 980 Garfield Street
Eugene, Oregon

TRANSACTION

Grantor: E. Nolan Scheid, Jr.
Grantee: Martin E. Henner
Date: 30-Nov-2020
Recording: 2020-70639
Sale Price: \$470,000
Terms: Cash to seller

REAL ESTATE

Site

Shape: rectangular
Topography: level
Access: One Street
Land Area: 0.41 (17,860 sq ft)
Usable Land Area: 0.41 (17,860 sq ft)
Zoning: E-2, Mixed Use Employment
Map: 17-04-36-23
Tax Lot: 1100
Flood Zone: Outside Flood Zone

Improvements

Utilities: All public utilities are available
Proposed Use: Continuation of commercial use with a ground lease.
Improvements: The site is paved and there is a tenant-owned modular office on the site with a 5-year ground lease.
Comments: There was a pending sale in 2019 that fell through and the property was relisted for sale and sold in 2020. The ground lease income equates to a capitalization rate of approximately 6.1% at the \$470,000 sale price.

Units of Comparison

Price/sf: \$26.32
Price/acre: \$1,146,341

Confirmation: John Davis
Contact: johnlocdavis@mac.com



Sale Comparable #3



Name: Deadmond Ferry Apartments
Location: 287 Deadmond Ferry Road
Springfield, Oregon 97477

TRANSACTION

Grantor: Moving Forward, LLC
Grantee: Deadmond Ferry Project, LLC
Date: 17-Nov-2020
Recording: 2020-67313
Sale Price: \$405,000
Terms: Cash to Seller

REAL ESTATE

Site

Shape: irregular
Topography: level
Access: Deadmond Ferry
Land Area: 0.85 (37,026 sq ft)
Usable Land Area: 0.85 (37,026 sq ft)
Zoning: MDR
Map: 17-03-15-40
Tax Lot: 1800
Flood Zone: Outside Flood Zone

Improvements

Proposed Units: 18 Units
Unit Density: 21 Units/Acre
Utilities: All Available

Proposed Use: Development with a 18-unit apartment project.

Improvements: None.

Comments: All utilities available. Single access. Near Riverbend Hospital.

Units of Comparison

Price/sf: \$10.94
Price/acre: \$476,471
Price/Proposed Unit: \$22,500/Unit

Confirmation: David Holland, Listing Broker
Contact: david@eebcre.com



Sale Comparable #4



Location: 3049 Willamette
Eugene, Oregon

TRANSACTION

Grantor: Track Town Holdings, LLC
Grantee: MTK, LLC
Date: 02-Jul-2020
Recording: 2020-35220
Sale Price: \$420,000
Terms: Cash to Seller

REAL ESTATE

Site

Shape: rectangular
Topography: level
Access: Two Streets
Land Area: 0.32 (13,939 sq ft)
Usable Land Area: 0.32 (13,939 sq ft)
Zoning: R-2
Map: 18-03-07-11
Tax Lot: 16900
Flood Zone: Outside Flood Zone

Improvements

Proposed Units: 6 Units
Unit Density: 19 Units/Acre
Utilities: All Available
Proposed Use: Redevelopment with six units.
Improvements: Improved with single-family residence planned for demolition at time of sale.
Comments: South Eugene redevelopment site.

Units of Comparison

Price/sf: \$30.13
Price/acre: \$1,312,500
Price/Proposed Unit: \$70,000/Unit
Confirmation: Jim St. Clair
Contact: jamescranestclair@gmail.com



Sale Comparable #5



Location: 32720 E. Pearl Street
Coburg, Oregon 97408

TRANSACTION

Grantor: Our Group of Properties, LLC
Grantee: Gillem Mark
Date: 14-Sep-2020
Recording: 2020-52132
Sale Price: \$455,000
Terms: Cash to Seller

REAL ESTATE

Site

Shape: rectangular
Topography: level
Access: E. Pearl & S. Skinner; alley
Land Area: 0.34 (14,810 sq ft)
Usable Land Area: 0.34 (14,810 sq ft)
Zoning: C-1/H/X
Map: 16-03-33-23
Tax Lot: 5500
Flood Zone: Outside Flood Zone

Improvements

Proposed Units: 14 Units
Unit Density: 41 Units/Acre
Utilities: All Available

Proposed Use: Developed with 14 units. Marketed for 12 units.

Improvements: None.

Comments: Purchased in 2018 for \$300,000. Sold most recently for \$455,000. Listed for \$470,000 prior to the sale. Plans for 12 units marketed.

Units of Comparison

Price/sf: \$30.72
Price/acre: \$1,338,235
Price/Proposed Unit: \$32,500/Unit

Confirmation: David Corey, Seller
Contact: Retained in File



Sale Comparable #6



Location: 341 W. Broadway Alley
Eugene, Oregon

TRANSACTION

Grantor: Martin E. Henner
Grantee: Our Lincoln St. Holdings, LLC
Date: 01-Sep-2020
Recording: 2020-51949
Sale Price: \$650,000
Terms: Cash to Seller

REAL ESTATE

Site

Shape: rectangular
Topography: level
Access: Alley & Lincoln Street
Land Area: 0.38 (16,553 sq ft)
Usable Land Area: 0.38 (16,553 sq ft)
Zoning: S-DW
Map: 17-03-31-13
Tax Lot: 11200
Flood Zone: Outside Flood Zone

Improvements

Proposed Units: 20 Units
Unit Density: 53 Units/Acre
Utilities: All Available
Proposed Use: Development with a 20-unit apartment project.
Improvements: Minimal improvements and parking lot.

Comments: Site located on Lincoln Street & Broadway Alley in Downtown Eugene. All utilities available. Proposed for development with a 20-unit apartment project. Minimal improvements given no value. Asphalt paved parking lot.

Units of Comparison

Price/sf: \$39.27
Price/acre: \$1,710,526
Price/Proposed Unit: \$32,500/Unit
Confirmation: David Corey
Contact: david@teamcorey.com



Sales Comparison Approach

Qualitative Adjustments Summary							
	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
Sale Price	PARCEL 1	\$671,500	\$470,000	\$405,000	\$420,000	\$455,000	\$650,000
Property Rights	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
comparison to subject		Similar	Sl. Superior	Similar	Similar	Similar	Similar
Market Conditions	8/21	4/19	11/20	11/20	9/20	9/20	9/20
comparison to subject		Inferior	Similar	Similar	Similar	Similar	Similar
Location	Coburg; Average Exposure - Downtown	Eugene; Excellent Exposure - Whiteaker	Eugene; Excellent Exposure - West Eugene	Springfield; Limited Exposure - RiverBend	South Eugene; Limited Exposure	Coburg	Downtown Eugene; Limited Exposure
comparison to subject		Superior Commercial; Inferior Residential - Similar overall	Superior Commercial; Inferior Residential - Similar overall	Sl. Inferior	Inferior Commercial; Superior Residential - Sl. Superior	Similar	Similar; offsetting
Acres	0.07 - 0.83; Average 0.45	0.62	0.41	0.85	0.32	0.34	0.38
comparison to subject		Similar to Average	Similar to Average	Larger; Inferior	Sl. Smaller than Average; Sl. Superior	Sl. Smaller than Average; Sl. Superior	Sl. Smaller than Average; Sl. Superior
Zoning	C-1/H/X	C-2	E-2	MDR	R-2	C-1/H/X	S-DW
comparison to subject		Superior	Sl. Inferior	Inferior	Inferior	Similar	Sl. Superior
Access	Single Street	2 Streets; Alley	One Street	One Street	Two Streets	2 Streets; Alley	Street & Alley
comparison to subject		Superior	Similar	Similar	Superior	Superior	Superior
Site Improvements; Entitlements	Asphalt Pavement; subject	Rentals planned for demolition; interim use	Asphalt Pavement (tenant owned modular)	None	SFR; planned for demolition. Interim Use	Plans & Engineering	Parking Lot
comparison to subject		Similar overall	Similar	Sl. Inferior	Similar overall	Similar; offsetting	Similar
\$/SF		\$24.86	\$26.32	\$10.94	\$30.13	\$30.72	\$39.27
comparison to subject		Sl. Low Indicator	Good Indicator; offsetting	Low Indicator	Sl. High Indicator	Sl. High Indicator	High Indicator

Sales Comparison Approach

Qualitative Adjustments Summary							
	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
Sale Price	PARCEL 2	\$671,500	\$470,000	\$405,000	\$420,000	\$455,000	\$650,000
Property Rights	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple
comparison to subject		Similar	Sl. Superior	Similar	Similar	Similar	Similar
Market Conditions	8/21	4/19	11/20	11/20	9/20	9/20	9/20
comparison to subject		Inferior	Similar	Similar	Similar	Similar	Similar
Location	Coburg; Average Exposure - Downtown	Eugene; Excellent Exposure - Whiteaker	Eugene; Excellent Exposure - West Eugene	Springfield; Limited Exposure - RiverBend	South Eugene; Limited Exposure	Coburg	Downtown Eugene; Limited Exposure
comparison to subject		Similar; offsetting	Similar; offsetting	Sl. Inferior	Inferior Commercial; Superior Residential - Sl. Superior	Similar	Similar; offsetting
Acres	0.23	0.62	0.41	0.85	0.32	0.34	0.38
comparison to subject		Larger; Inferior	Sl. Larger; Sl. Inferior	Larger; Inferior	Sl. Larger; Sl. Inferior	Sl. Larger; Sl. Inferior	Sl. Larger; Sl. Inferior
Zoning	C-1/H/X	C-2	E-2	MDR	R-2	C-1/H/X	S-DW
comparison to subject		Superior	Sl. Inferior	Inferior	Inferior	Similar	Sl. Superior
Access	Two Streets	2 Streets; Alley	One Street	One Street	Two Streets	2 Streets; Alley	Street & Alley
comparison to subject		Sl. Superior	Inferior	Inferior	Similar	Sl. Superior	Similar
Site Improvements; Entitlements	None	Rentals planned for demolition; interim use	Asphalt Pavement (tenant owned modular)	None	SFR; planned for demolition. Interim Use	Plans & Engineering	Parking Lot
comparison to subject		Sl. Superior	Superior	Similar	Sl. Superior	Superior	Superior
\$/SF		\$24.86	\$26.32	\$10.94	\$30.13	\$30.72	\$39.27
comparison to subject		Sl. Low Indicator	Good Indicator; offsetting	Low Indicator	Sl. High Indicator	Sl. High Indicator	High Indicator

Discussion

Sales 1 and 2 reflect purchases in Eugene in commercial areas. **Sale 1** is in the Whiteaker area and has excellent commercial exposure but could also be built-out with 100% residential use. This is an older sale as well as a larger parcel, both of which put downward pressure on the price per square foot. **Sale 2** is a more recent sale of a site which included asphalt paving (tenant owned modular) with a short-term ground lease putting upward pressure on the price per square foot, but the zoning, overall location, site characteristics and size put downward pressure on the price per square foot. **Sale 3** is included as a medium density development land purchase in Springfield but is a low indicator due to the inferior density capabilities in this zone as well as a larger site. **Sales 4, 5 and 6** are superior due to entitlements, location, or zoning allowance (outright residential permitted for Sale 6). Sale 5 is one of the best sales based on the date, location, size, and zoning, but included plans and engineering for the proposed development, putting upward pressure on the price per square foot. This site did not, however have any site improvements.

Parcel 1 Conclusion

Based on the above analysis, with consideration to the physical and locational characteristics of the surrounding properties, the contributory unit value, and the across the fence value to apply to Parcel 1, is concluded to be \$27.00 per square foot. Therefore, the value is concluded to be \$230,283 (8,529 x \$27.00/sf), rounded to **\$230,000**.

Parcel 2 Conclusion

Based on the above analysis, with consideration to the physical and locational characteristics of Parcel 2, \$27.00 per square foot is also concluded for the Parcel 2. This parcel is inferior in site improvements as compared to Parcel 1 but is superior in accessibility/exposure and overall utility as well as smaller than the average abutting site to Parcel 1s. Therefore, the market value via the Sales Comparison Approach is concluded to be \$270,508 (10,019 x \$27.00/sf), rounded to **\$270,000**.

Marketing & Exposure Time

Marketing time is defined as, “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.”¹⁰ Exposure time is defined as, “The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.”¹¹ Exposure time is always presumed to occur *prior to* the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort.

10. Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago: Appraisal Institute, 2015).

11. Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago: Appraisal Institute, 2015).

Sales Comparison Approach

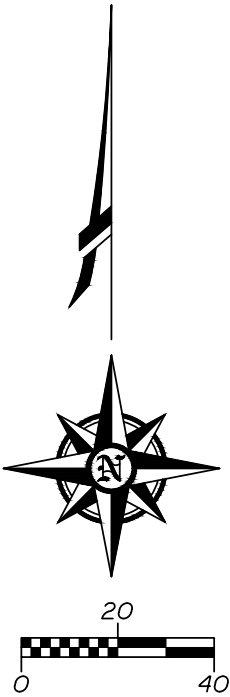
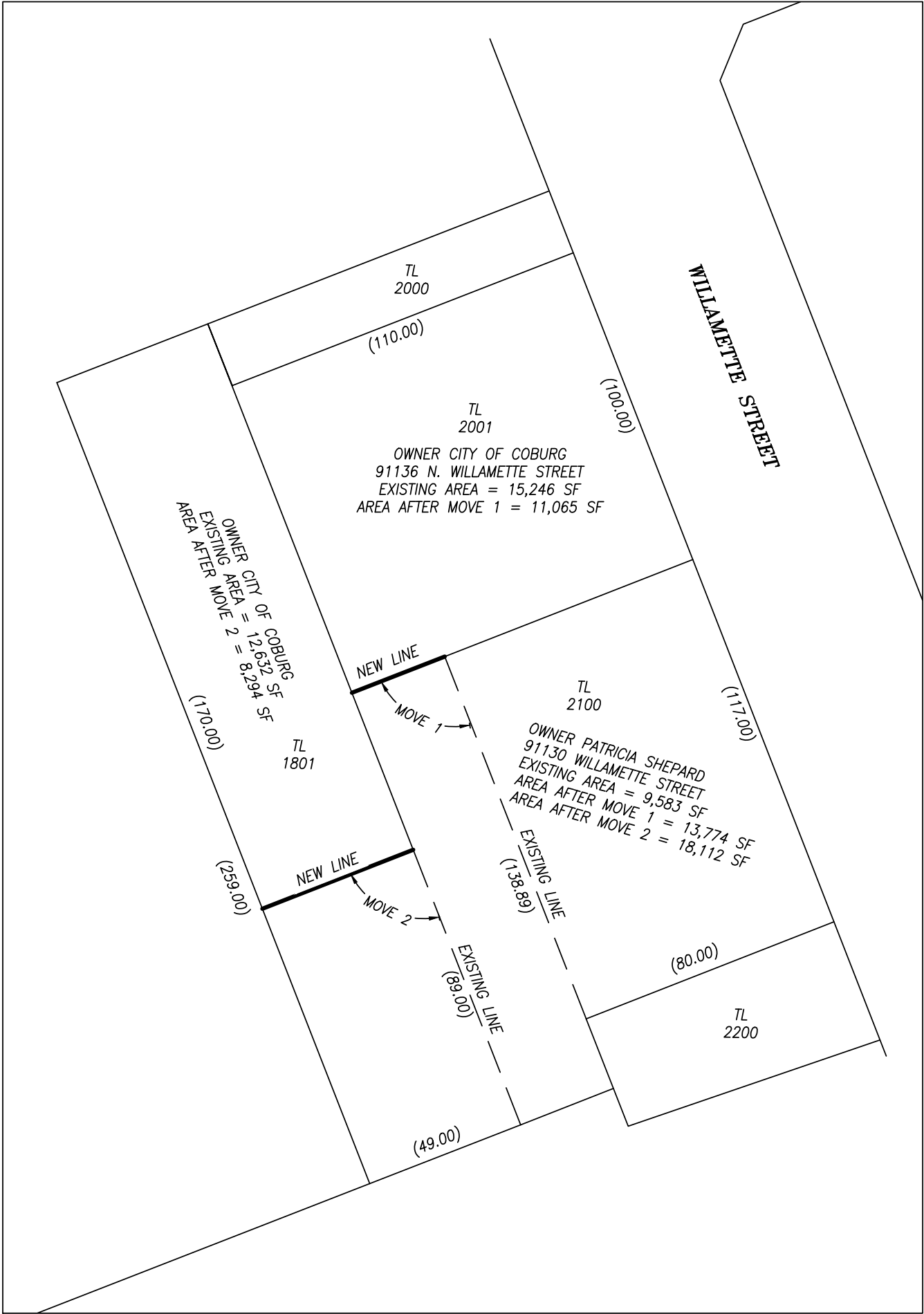
In estimating marketing and exposure time for the subject property, consideration was given to sales that have occurred in the marketplace and properties that have been offered for sale. The periods that commercial and residential land in the market area have been exposed for sale range from not listed to over 18 months. Based on the available market information, it is concluded that marketing time and exposure time for the subject parcels would be 6 to 9 months as of the date of value.



ASUMPTIONS AND LIMITING CONDITIONS
CERTIFICATION
SURVEY
APPRAISER'S QUALIFICATIONS

Z:\2021\21-004g Coburg Proposed PLA\21-004g Coburg I\X17 EXHIBIT.dwg 6/15/2021 9:12 AM BOBH

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REGISTERED
PROFESSIONAL
LAND SURVEYOR

DIGITALLY SIGNED

OREGON
JULY 21, 1992
ROBERT C. HINES
2555PLS

EXPIRES: June 30, 2023

PROPOSED PROPERTY LINE ADJUSTMENTS

CITY OF COBURG
COBURG CITY HALL
91136 N. WILLAMETTE STREET

revisions:

date: JUNE 14, 2021
drawn by: RCH
designer:
project no: 21-004g

PROPOSED PLAN

sheet:



Hypothetical Condition

Parcel 1 is a portion of Tax Lots 1801 & 2001 on Map 16-03-32-11. A hypothetical condition of this analysis is that Parcel 1 was an independent, saleable site on the date of value. The application of this hypothetical condition may impact the assignment results.

Assumptions & Limiting Conditions

This Appraisal Report complies with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, information and discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value are specific to the needs of the client and for the intended use stated in this report. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The appraiser is not responsible for unauthorized use of this report.

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The appraiser reserves the right to make alterations to the analyses, opinions, and conclusions set forth in the appraisal report as may be necessary due to consideration of additional or more reliable data that may become available.

Title to the property is assumed good and marketable unless otherwise stated in this report. No responsibility is assumed for the legal description or for such matters including legal or title considerations. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report. It is assumed the utilization of the land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

Responsible ownership and competent property management are assumed unless otherwise stated in this report. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report.

Compliance with all applicable zoning and use regulations and restrictions is assumed unless a nonconforming use has been stated, defined and considered in the appraisal report.

It is assumed there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that may suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified

expert in the field of environmental assessment. The presence of substances such as asbestos, urea- formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and comments are the result of the routine observations made during the appraisal process.

Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser whose signature appears on the appraisal report. No change of any item in the report shall be made by anyone other than the Appraiser. The appraiser shall have no responsibility if any such unauthorized changes are made. The appraiser may not divulge confidential information in the report, such as, analytical findings or conclusions, or give a copy of the report to anyone other than the client, except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

The appraiser and client agree the liability of Viewpoint Appraisal, LLC is limited to the client only. Further, there is no liability, obligation, or accountability to any third party. If this report is provided to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.

Possession of this report, 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 party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety. Neither all nor any part of the contents of this report, including any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected, shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question because of this appraisal, unless arrangements have been previously made. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.



I, Zoe R. Swartz, MAI, do hereby certify that:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- Zoe R. Swartz, MAI inspected the subject property on August 20, 2021.
- The appraiser has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- No one provided significant professional assistance to the person signing this report.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Zoe R. Swartz, MAI has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
- I have had a level of training and experience considered necessary for the formation of a reliable opinion of value of the subject property.

Zoe R. Swartz, MAI
Certification No. C001053
Expiration 7/31/22



Zoe R. Swartz, MAI

PROFESSIONAL DESIGNATIONS

MAI - Appraisal Institute 2014

FORMAL EDUCATION

Bachelor of Science Degree 2008
University of Oregon, Department of Mathematics

APPRAISAL EDUCATION

Appraisal Institute

Appraisal of Medical Office Buildings 2019
7 Hour USPAP 2019
7 Hour USPAP 2018
15 Hour USPAP 2017
Online Cool Tools 2017
Valuation of Conservation Easements 2015
Uniform Appraisal Standards for Federal Land Acquisitions 2015
Data Verification & Methods 2014
Business Practices & Ethics 2014
Advanced Concepts and Case Studies 2011
Advanced Income Capitalization 2011
Finance Statistics and Valuation Modeling 2010
Business Practices and Ethics 2010
Advanced Applications Course 550 2010
General Appraiser Income Approach Part 2 2009
General Appraiser Income Approach Part 1 2009
General Appraiser Report Writing and Case Studies 2009

General Appraiser Site Valuation & Cost Approach 2008
General Appraiser Sales Comparison Approach 2008

Additional Courses

Divorce & Estate Appraisals 2019
National USPAP Update 2014
National USPAP Update 2011
National USPAP Update 2009
Basic Appraisal Procedures 2007
Basic Appraisal Principles and Practice 2007
Uniform Standards of Professional Practice 2007

Seminars

Eminent Domain 2019
Navigating ODOT Appraisals & Reviews 2013
Eminent Domain 2014

LICENSE

Certified General Appraiser - State of Oregon, 2011 Certificate No. C001053

PROFESSIONAL EXPERIENCE

Certified General Appraiser, Owner Viewpoint Appraisals, LLC	2020-Present
Certified General Appraiser Duncan & Brown, LLC	2011 - Present
Appraiser Assistant Duncan & Brown, Inc.	2008 - 2011

PROFESSIONAL AFFILIATIONS

Appraisal Institute - Member	2014-Present
Appraisal Institute - Candidate for designation, Appraisal Institute	2013
Appraisal Institute - general Associate Member of the Appraisal Institute	2011 - 2012
Appraisal Institute - Affiliate Member	2007 - 2011

BUSINESS AFFILIATIONS

Sponsors, Inc., Secretary	Eugene, Oregon
Eugene Active 20-30 Foundation	Eugene, Oregon

