

**APPRAISAL REPORT ON
THE COMBINED ±31,738.60 SQUARE FOOT PORTIONS
OF THE NE 16TH STREET AND 80TH AVENUE NE RIGHT OF WAYS
MEDINA, WASHINGTON**

FILE 23-MSV

PREPARED FOR

**STEPHANIE KEYSER, AICP
PLANNING MANAGER
CITY OF MEDINA
501 EVERGREEN POINT ROAD
MEDINA, WA 98039**

AS OF

MARCH 19, 2023

PREPARED BY

**JEFFREY A. SHERWOOD
PRINCIPAL**

**SHERWOOD APPRAISALS
1429 AVENUE D - PMB 401 ·
SNOHOMISH, WA 98290**

PHONE (425) 503-8526

Sherwood Appraisals
Real Estate Valuation & Consultation
1429 Avenue D - PMB 401 · Snohomish, WA 98290
Phone (425) 503-8526

March 25, 2023

File 23-MSV

Stephanie Keyser, AICP
Planning Manager
City of Medina
501 Evergreen Point Road
Medina, WA 98039

Re: Appraisal of the combined ±31,738.60 square foot portions of the NE 16th Street and 80th Avenue NE right of ways proposed for vacation abutting portions of the existing Overlake Golf and Country Club ownership in the central portion of the City Limits of Medina, Washington.

Dear Ms. Keyser:

As authorized by you, I have now completed an appraisal report on the above property. Based on my research and analysis, I have concluded the following Market Value estimate of the Fee Simple Estate of this property as of March 19, 2023, the date of inspection.

**"As Is" Market Value of the Fee Simple Estate
of the Proposed 31,738.60 Square Foot Street
Vacation as of March 19, 2023\$4,760,000**

The above value conclusion is subject to the attached Certification and Assumptions and Limiting Conditions.

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Vacation as of March 19, 2023\$4,760,000**

The above value conclusion is subject to the attached Certification and Assumptions and Limiting Conditions.

This value conclusion does not include the value, if any, of personal property. The Fee Simple Estate is appraised because there exists no arm's length leases encumbering the property.

I appreciate the opportunity to complete this assignment. If you should require any further assistance or information, please feel free to call.

Respectfully submitted,

SHERWOOD APPRAISALS



Jeffrey A. Sherwood, Principal

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ADDENDA

Exhibit 1 Soils Map	
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY APPRAISED

An ell shaped assemblage of portions of both the NE 16th Street and 80th Avenue NE right of ways abutted on all sides by the existing Overlake Golf and Country Club facility within the central portion of the City Limits of Medina.

OSTENSIBLE OWNERS

Presumably The City of Medina.

PROPERTY RIGHTS APPRAISED

Fee Simple Estate subject to the four powers of government-police power, taxation, escheat and eminent domain.

LEGAL DESCRIPTION

There is no legal description available. Outlines of the proposed subject street vacation are shown in the enclosed mapping.

LAND AREA

31,738.60 Square Feet.

BUILDINGS

None.

ZONING

R-20 (Single Family Residence) City of Medina.

HIGHEST AND BEST USE *As Vacant*

Contribution to the existing Overlake Golf and Country Club facility.

"AS IS" MARKET VALUE OF THE FEE SIMPLE ESTATE OF THE PROPOSED 31,738.60 SQUARE FOOT STREET VACATION AS OF MARCH 19, 2023

\$4,760,000

SUBJECT PHOTOS



LOOKING EAST ON NE 16TH STREET – SUBJECT RIGHT OF WAY IN
DISTANT BACKGROUND



LOOKING EAST ON NE 16TH STREET FROM 79TH PLACE NE –
SUBJECT RIGHT OF WAY BEGINS SOME 110 FEET EAST OF THE
EAST SIDE OF 79TH PLACE NE IN BACKGROUND

SUBJECT PHOTOS



LOOKING EAST ON NE 14TH STREET WHICH PROVIDES ONLY
ACCESS TO DEVELOPED PORTION OF 80TH AVENUE NE RIGHT OF
WAY



LOOKING NORTH ON 80TH AVENUE NE FROM INTERSECTION WITH
NE 14TH STREET – SUBJECT RIGHT OF WAY IS IN FAR
BACKGROUND

SUBJECT PHOTOS



LOOKING NORTH ON 80TH AVENUE NE WITH SUBJECT RIGHT OF WAY IN BACKGROUND SHOWING UTILITY WORK IN PROGRESS



LOOKING NORTH ON 80TH AVENUE NE – SOUTH END OF SUBJECT RIGHT OF WAY BEGINS ROUGHLY AT THE POINT WHERE THE PAVING GRADES INTO THE LANDSCAPING – POINT LOOP TRAIL AT RIGHT

SUBJECT PHOTOS



LOOKING WEST TO SOUTH FROM NORTHEAST CORNER OF SUBJECT ELL SHAPED RIGHT OF WAY – NORTH
LEG ON NE 16TH STREET AT RIGHT, SOUTHWEST PORTION OF ELL IN FOREGROUND AND SOUTH PORTION
ALONG 80TH AVENUE NE AT LEFT

SUBJECT PHOTOS



LOOKING NORTH TO EAST FROM JUST NORTH OF THE SOUTH END OF THE SOUTH LEG OF THE SUBJECT
RIGHT OF WAY SHOWING THE PORTIONS OCCUPIED BY PARKING AND CIRCULATION AREAS – POINT LOOPS
TRAIL IS SHOWN AT RIGHT

CERTIFICATION

I certify that, to the best of my knowledge and belief except as otherwise noted in this appraisal report and/or letter of transmittal,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. I previously appraised the subject property in 200 with an effective date of appraisal of July 12, 2020 with a report date of July 14, 2020.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the **Uniform Standards of Professional Appraisal Practice**.
8. I have made a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the person signing this certification.



Jeffrey A. Sherwood, Principal
State of Washington Certified
Real Estate Appraiser-General-1100895

ASSUMPTIONS AND LIMITING CONDITIONS

Except where expressly stated to the contrary in the appraisal report, the following Assumptions and Limiting Conditions are governing upon this appraisal.

1. All dimensions and areas and legal descriptions are assumed to be correct as found through available records or on-the-ground inspection. If a survey is provided, it is assumed to be correct unless otherwise stated in the appraisal.
2. No responsibility is assumed in matters of legal character affecting the appraised property such as title defects, overlapping property lines, liens, encroachments, etc.
3. For purposes of this valuation, the valuation is assumed to be free of any encumbrances and has been appraised as though free and clear except as affected by the definition of Market Value under Item 9 below and otherwise stated in the report.
4. All information as found in data furnished is deemed to be reliable. If any errors are found, the right is reserved to modify the conclusions reached.
5. Where the value of the land and the improvements is shown separately, the value of each is segregated as only an aid to better estimate the value of the whole; and the value shown for either may, or may not, be its correct Market Value.
6. While various "approaches to value" and various mathematical calculations have been used in estimating value, these are but aids to the formulation of the opinion of value expressed in this report. In these calculations certain arithmetical figures are rounded off to the nearest significant amount.
7. The data and conclusions embodied in this appraisal are a part of the whole valuation. No part of this appraisal is to be used out of context, and, by itself alone - no part of this appraisal is necessarily correct, as being only part of the evidence upon which the final judgment as to value is based.
8. Employment to make this appraisal does not require the appraiser(s) to attend pre-trial conferences, public hearings or testimony in court with regard to the subject property unless mutually satisfactory arrangements are made in advance.

9. Market Value means:
- (i) 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, 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:
 - a. buyer and seller are typically motivated;
 - b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
 - c. a reasonable time is allowed for exposure in the open market;
 - d. payment is made in terms of cash or in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - e. 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.
 - (ii) Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institution lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment. (USPAP)
10. Responsible ownership and competent management are assumed.
11. Where the discounted cash flow analysis is utilized, it has been prepared on the basis of the information and assumptions stipulated in this appraisal report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variation may be material.
12. Disclosure of the contents of this appraisal report is governed by the By-laws and Regulations of the Appraisal Institute.
13. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designations) will be disseminated to the public through advertising media, public relations media, news media, sales

media or any other public means of communication without the prior written consent and approval of the appraiser(s).

14. Extensive experience indicates that the relationship of assessed value to Market Value may not be a dependable source of information. The assessed valuation, as shown in this report, is, therefore, not considered an indication of value for the property to this appraisal.
15. It is assumed that the hypothetical buyer is aware that this valuation conclusion does not serve as a warranty on the condition of the property, and is also aware that it is his responsibility (the buyer) to examine the property carefully, and to take all necessary precautions before signing a contract to purchase, lease, etc., and that he is also aware that the estimate for repairs, if any, is a non-warranted opinion of the appraiser, unless otherwise stated.
16. The value conclusion in this report is based entirely on information available through the date of valuation with the appraiser assuming no responsibility with respect to information subsequent to the valuation date which might have a bearing on the conclusion(s) reached in this report.
17. While it is our opinion that this appraisal report follows generally accepted and established appraisal practices, there may be differences of opinion and interpretation of the above requirements as adopted by a given institution or by third parties that may use this report. For this reason, modification and additional work may be requested. If additional research, analysis and/or report preparation are undertaken for this or any reason at a later date (upon client request or third party request with client approval), such shall be done at added fee for time and cost.
18. The appraiser(s) assume no responsibility or liability for the discovery of the existence, if any, of hazardous waste or pollutants under (soil and/or sub-soils) or above (building improvements, fixtures, air space, etc.) the subject property. Discovery of the presence or lack of hazardous waste or pollutants on the subject and/or adjoining properties is considered to be beyond the expertise of the appraiser(s). Any conclusions in this regard by environmental engineers and/or other comparable qualified experts, if used in this report, are assumed to be reliable.

The term "hazardous waste or pollutants," as used herein, refers to any substance defined as toxic, hazardous, etc., by any governmental agency which has legal authority or control over the subject property (i.e., local, state or federal statutes, ordinances, zoning regulations, etc.).

19. This appraisal and all value conclusion(s) reached in this report assume there are no hidden, unapparent, or apparent hazardous waste or pollutants (as defined in Item 18 above) under, on or above the subject property.

The appraiser(s) signing this report have no knowledge of presence or absence of toxic materials, hazardous waste, pollutants on the site, or urea-formaldehyde foam insulation and/or asbestos on or in the existing improvements.

If such is present, the value conclusions reached may be adversely affected; and a re-appraisal, at additional time and cost, would be necessary to estimate the effects of such.

QUALIFICATIONS OF JEFFREY A. SHERWOOD

EDUCATION

B. S., Natural Resources Studies, 1973,
University of Massachusetts - Amherst

M. S., Plant and Soil Science, 1975,
University of Massachusetts - Amherst

PhD work in Soil Physics, 1975-1976,
North Dakota State University

EXPERIENCE

Principal - Sherwood Appraisals, 1994 to present

Fee Appraiser - William R. Coffin & Associates, April 1986 to present

Staff Review Appraiser - Puget Sound Bank, June 1992 to February 1993

Fee Appraiser - Hoefer Associates, Inc., October 1983 to February 1984;
July 1985 to March 1986

Northwest Septic, Soil Scientist, February 1984 to July 1985

Washington Department of Natural Resources, Soil Scientist/Project Leader,
April 1979 to July 1982

Assisted in appraisal of some 500,000 acres of forest land for State Forest
Land Grading Program

AFFILIATIONS

Associate Member of the Appraisal Institute

CERTIFICATION/LICENSE

State of Washington Certified General Real Estate Appraiser - 1100895

CLIENTELE

Associated with the economic or real estate valuation for, but not limited to,
the following:

Action Mortgage Company
AT&T Capital Corp.
Bank of California
Bellevue School District

Center Mortgage
Champion International Corp.
Charter Bank
City of Seattle

Blackhawk Port Blakely Comm.
 Burlington Northern
 Cadman Gravel Co.
 Catellus Management Corp.
 CBR Cement Canada Ltd.
 Chrysler Realty
 City of Bellevue
 City of Kent
 City of Monroe
 City of Seattle
 Colby Manor Nursing Home
 Coldwell Banker
 Columbia Bank
 Colyn Clay Realty
 Covenant Mortgage
 D & D Investments
 Davis Wright Tremaine P.S.
 Everett Mutual Savings
 Evergreen Medical Center
 First Commercial Mngmnt.
 First Interstate Bank
 First Mutual Bank
 First National Bank of
 Enumclaw
 Fletcher General Const.
 Friend & Rikalo
 Frontier Bank
 Grand Ridge Partnership
 Harmon & Associates
 Harvard Union Co.
 Holzerland Enterprises
 Horizon Bank
 InterWest Savings Bank
 Jensen Sand & Gravel
 Keating, Bucklin &
 McCormack, P.S.
 Key Bank
 Lane Powell Spears & Lubersky

City of Tukwila
 City of Marysville
 Coast Mortgage
 Leen & Moore, P.S.
 Leo Fix Transfer, Inc.
 MacDonald Properties
 McDonald's Corp.
 Meridian Land Company
 National Public Life
 Northwest Fur Breeders
 Ogden, Murphy & Wallace
 Pacific Northwest Bank
 Pacific First Bank
 Plum Creek Timber
 Polyclinic
 Port of Seattle
 Puget Sound Bank
 Redmond Christian School
 Rowley Agency
 Seafirst Bank
 Security Pacific Bank
 Shell Oil Company
 Skagit Valley Medical Center
 Smith Brothers
 South Seventh Corp. (i.e. United
 Parcel Service)
 Sterling Savings Bank
 Taylor-Edwards Whse. &
 Transfer Co., Inc.
 US Army Corps of Engineers
 US Bancorp
 US Dept. of Justice
 Virginia Manor Nursing Home
 Wallace Properties Group
 Washington First Intern'l Bank
 Washington Mutual Bank
 Washington State Dept. of Game
 Washington State Dept. of
 Transportation
 Wilder Construction

NE 16th
St

1556

7989

1546

1425

1427

APPRAISAL AUTHORIZATION

Authorization to complete this appraisal was given via email by Stephanie Keyser, AICP, Planning Manager, City of Medina, 501 Evergreen Point Road, Medina, WA 98039.

LEGAL DESCRIPTION

There is no legal description available. Outlines of the proposed subject street vacation are shown in the enclosed mapping.

OSTENSIBLE OWNERS

Presumably The City of Medina.

PROPERTY LOCATION/ADDRESS

The property is centrally located within the City Limits of Medina roughly 1/2 mile east of Lake Washington, roughly .8 mile south of State Route 520 and roughly 1/4 mile west of the primary north-south arterial, 84th Avenue NE. With the exception of the Overlake Golf and Country Club facility, the primary local land use is larger lot urban residential with a few scattered commercial uses along and near 84th Avenue NE.

The subject right of way does not have an assigned address. The abutting Overlake Golf and Country Club facility has a variety of addresses on NE 16th Street.

The subject's location with respect to the local environment is shown on the enclosed **Vicinity and Neighborhood Maps**.

PURPOSE AND FUNCTION OF APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the Fee Simple Estate of the portions of both the NE 16th Street and 80th Avenue NE right of ways proposed for vacation.

The function (use) of this appraisal is to provide my client and one intended user, The City of Medina, with valuation evidence to support decisions concerning the proposed right of way vacation. As such,

other intended users include any parties involved in the execution of this process.

**DESCRIPTION OF APPRAISAL
PROBLEM/SCOPE**

To accomplish the purpose of this appraisal, a search was made for data concerning the subject property and the market in which it is located. This included physical and governmental data, local and regional sales of similar upland properties and data concerning the local area and economy.

These sources provided an adequate amount of data to complete this appraisal assignment.

Due to the availability of sufficiently similar sales to compare with the subject, the Sales Comparison Approach was the only methodology used for the valuation.

Because the subject property is vacant and not generating a reliable stream of income, both the Cost and Income Approaches are excluded. Their exclusion represents a typical scope of work for such vacant properties.

In addition, substantial local economic, demographic, and regulatory information, coupled with the above data, was used to determine the Highest and Best Use of the subject property to aid in the appraisal process.

**APPRAISER'S EXPERIENCE REGARDING APPRAISAL
PROBLEM**

I have appraised a number of vacant and improved residential properties in the greater Eastside market. I also previously appraised another right of way elsewhere in the City of Medina in 2021.

Based on my experience with the subject market area and property type, I am competent to perform this appraisal assignment.

**PROPERTY RIGHTS
APPRAISED**

This appraisal includes all rights inherent in and accruing to the owner by virtue of the Fee Simple Estate which is subject to easements and

encumbrances of record and the four powers of government which are police power, taxation, escheat, and eminent domain.

Fee Simple Estate is defined as: *"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."*

Source: *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Sixth Edition 2015.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is based on and subject to the Assumptions and Limiting Conditions found at the beginning of the text portion of the report. These Assumptions and Limiting Conditions include, as Item 9, the definition of Market Value used herein.

DATE OF INSPECTION

I inspected the subject property and its immediate neighborhood on March 19, 2023.

EFFECTIVE DATE OF VALUATION

The effective date of the valuation of the property in its "As Is" condition is March 19, 2023, the date of inspection.

SALE HISTORY

Being a long established right of way dating to 1917, there have been no sales of the subject property in the past three years. Also, it is neither for sale nor presently under contract.

I understand that the results of this appraisal may be used to assist in setting a price for the proposed vacation and sale of the property.

NEIGHBORHOOD AND MARKET ANALYSIS

The property, as shown on the following **Vicinity and Neighborhood Maps** is located in the central portion of the City Limits of Medina. Medina is primarily a single-family residential community with some commercial uses along the primary arterials.

Because the City Limits are comparatively small and because most of its extent is now developed, the population in 2010 of 2,969 has grown only marginally over the past decade to $\pm 3,300$ or roughly 1.0% per year. Thus, the City can be characterized as stable being unlikely to grow significantly in population into the foreseeable future.

With the volume of listings at any given time in Medina being so low with only seven reasonably competitive listings in the subject market, it is difficult to render cogent statistical analyses using the available data. The seven available, reasonably competitive properties have a mean asking price of $\pm \$3,080,000$.

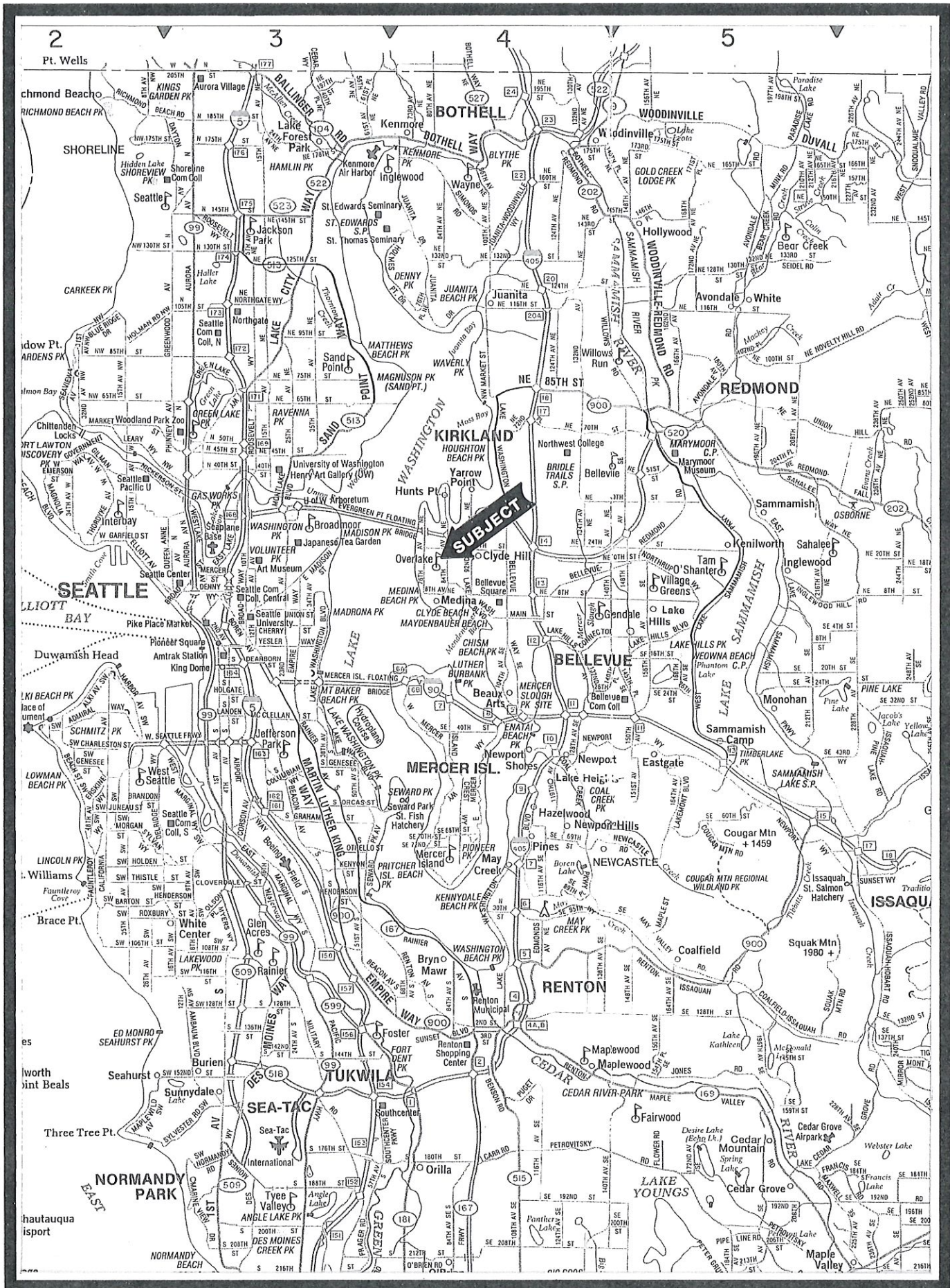
Thus, it can be concluded, even with the paucity of available data, that Medina is one of the highest priced communities within the County and that both listing and sale volumes are comparatively low with the current volume of listings roughly at par with one year ago.

The increase in interest rates and the present overall economic morass have combined to effectively halt the rampant appreciation of local housing prices experienced in the recent past. A good local example is Comparable L-3 in the Sales Comparison Approach below.

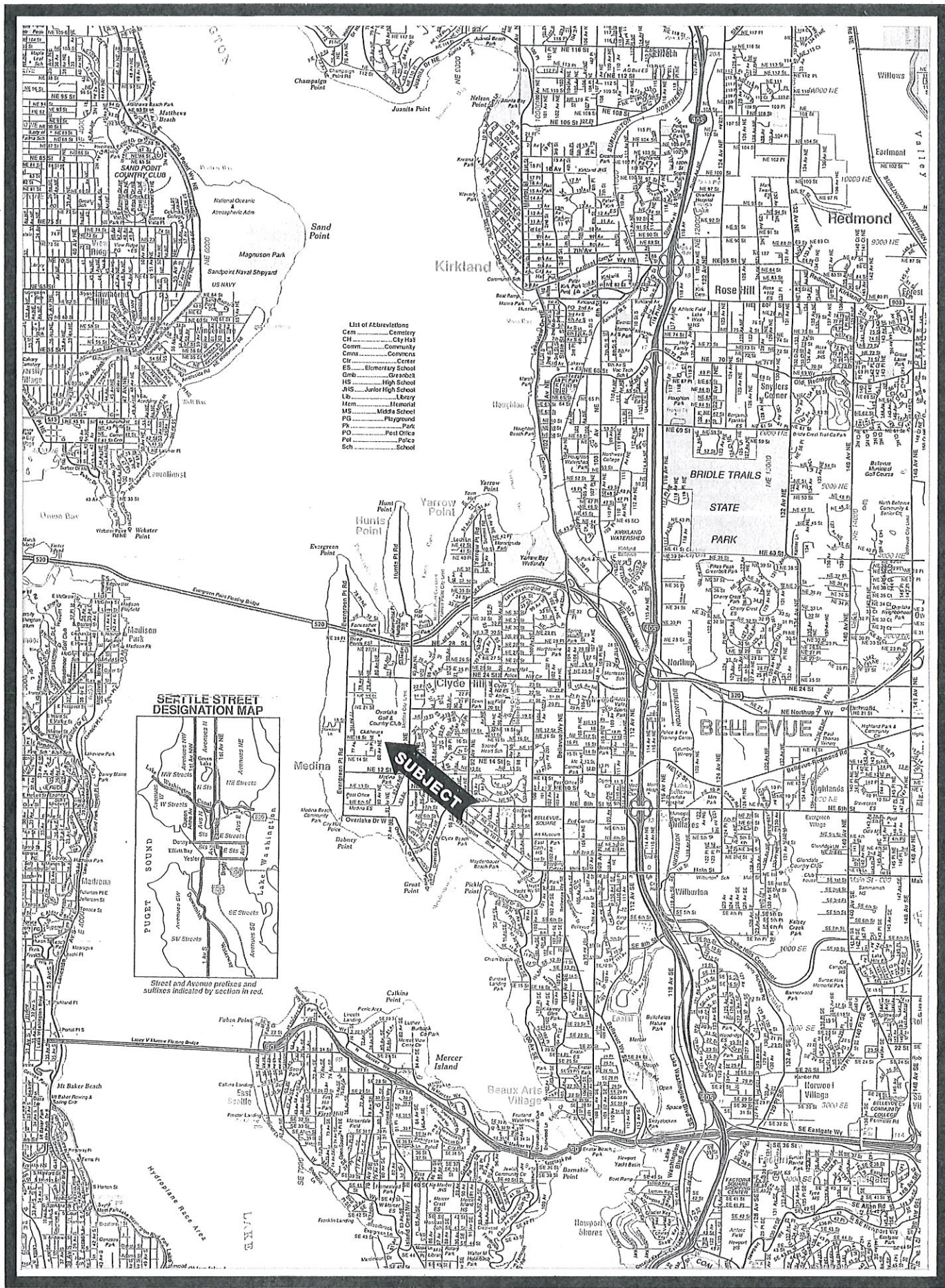
This property was previously purchased in October 2021 for \$2,900,000 by a couple wishing to build a larger home by either adding to the existing small structure or rebuilding. However, after understanding the various complications associated with these options, they bought a home in Seattle and placed this Medina home back on the market.

It was relisted in July 2022 for \$3,200,000 with the price being dropped in October 2022 to \$2,998,000. Although this listing has attracted substantial interest, it has yet to sell. Assuming some price concession to effect a sale, it will likely sell at a price close to the October 2021 level.

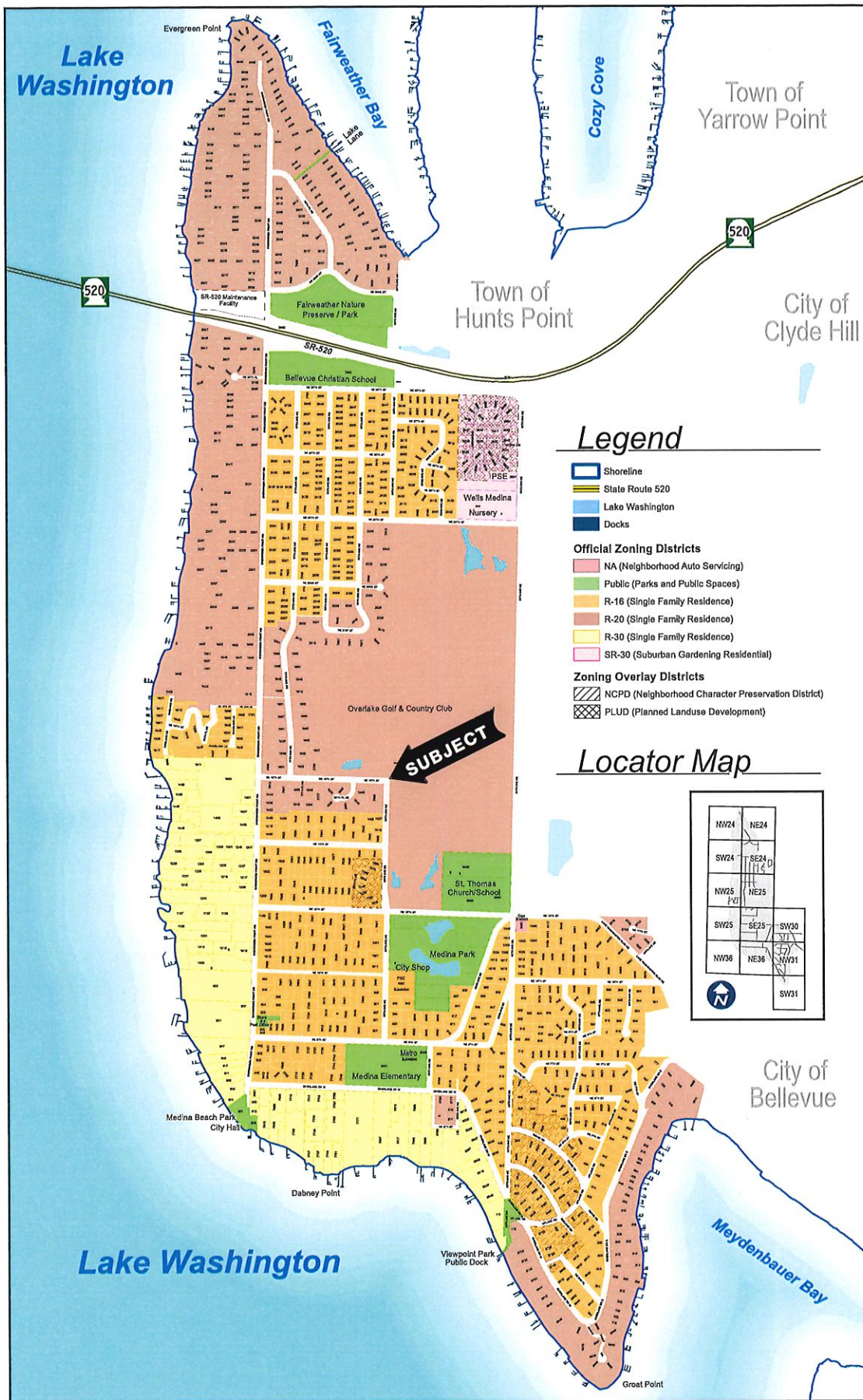
This is in line with the latest available Case Shiller Index information which shows the current market being roughly at the pricing levels of late 2021.



Vicinity Map



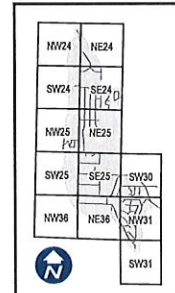
Vicinity Map



Legend

- Shoreline
 - State Route 520
 - Lake Washington
 - Docks
- Official Zoning Districts**
- NA (Neighborhood Auto Servicing)
 - Public (Parks and Public Spaces)
 - R-16 (Single Family Residence)
 - R-20 (Single Family Residence)
 - R-30 (Single Family Residence)
 - SR-30 (Suburban Gardening Residential)
- Zoning Overlay Districts**
- NCPD (Neighborhood Character Preservation District)
 - PLUD (Planned Landuse Development)

Locator Map



Address & Zoning Designations

This map was produced by the City of Medina GIS. It does not represent survey accurate data. No warranties, of any sort, including address, street, or municipality, are made by this product.

Source: King County Open Data GIS

Official Zoning Map

- Ordinance No. 907
- Passed by City Council, 5.12.2014
- Amended by Ordinance No. 951
- Effective Date: 7.9.2018

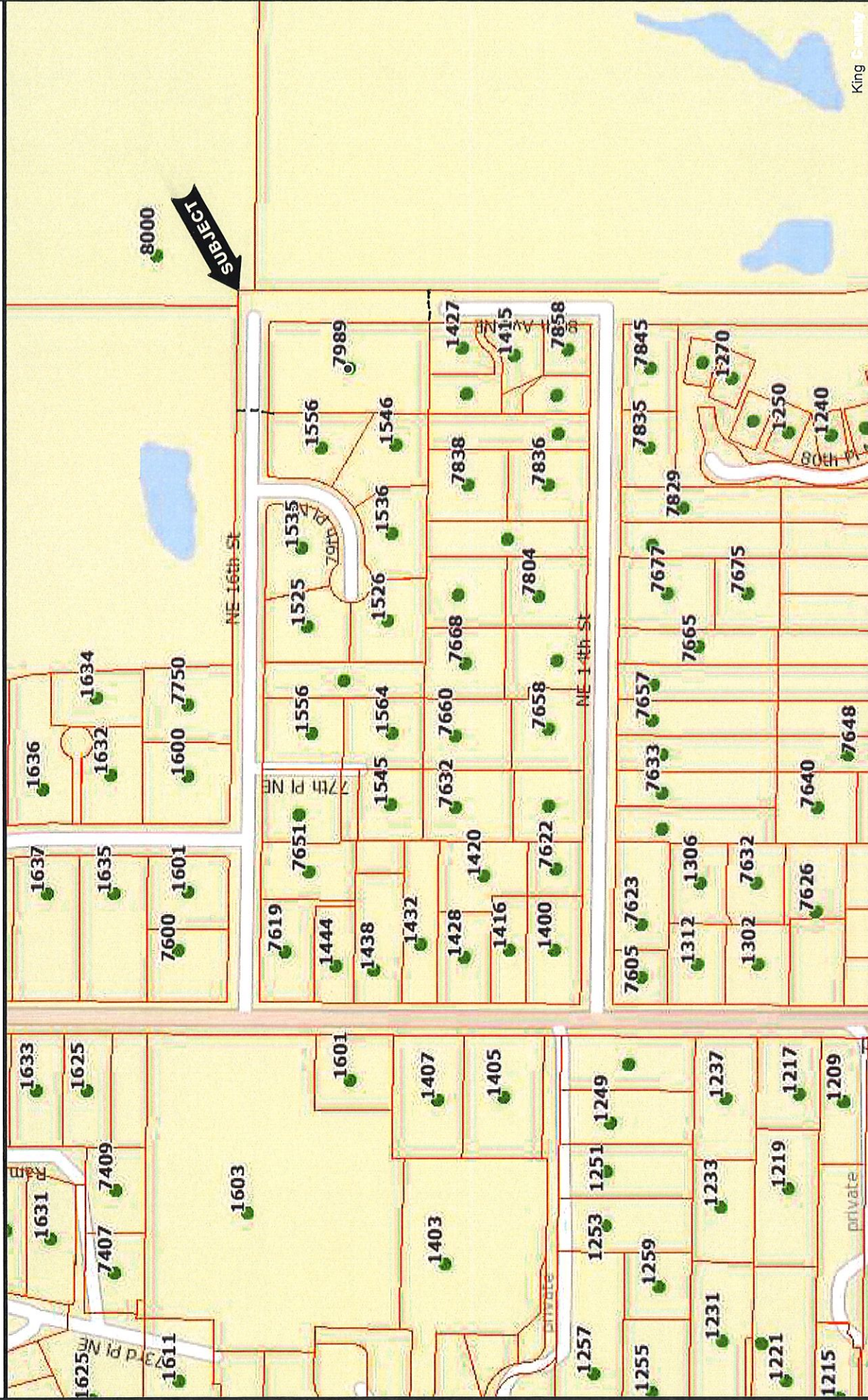


0 400 800 1,600
1" = 400'
Original plot size is 24"x42". 1"x400 scale is not accurate at smaller plot sizes.

Vicinity Map



King County iMap



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. This document is not intended for use as a survey product. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County.

Date: 1/24/2023

Notes:



King County

Another phenomenon within this local market is the purchase of existing homes in order to demolish them and repurpose the underlying land for new home construction. This behavior is necessitated by the fact that there are so few vacant lots in existence in Medina, and, especially, on the market at any given time.

From a practical standpoint, parties buying older homes in Medina for \$2,500,000+ generally do not wish to occupy such homes as they are smaller, of lower quality and/or in average condition generally uncharacteristic of such a pricing level. Thus, there is pressure to invest substantial funds to upgrade such homes or simply demolish them and rebuild.

The fact that most new construction homes which sell in Medina start at the ±\$5,000,000 price level proves this out.

In spite of the fact that local home values are comparatively high, the limited volume of listings keeps this market in balance. This is evidenced by this local area's marketing times typically being under 30 days with the above noted Comparable L-3 being an exception.

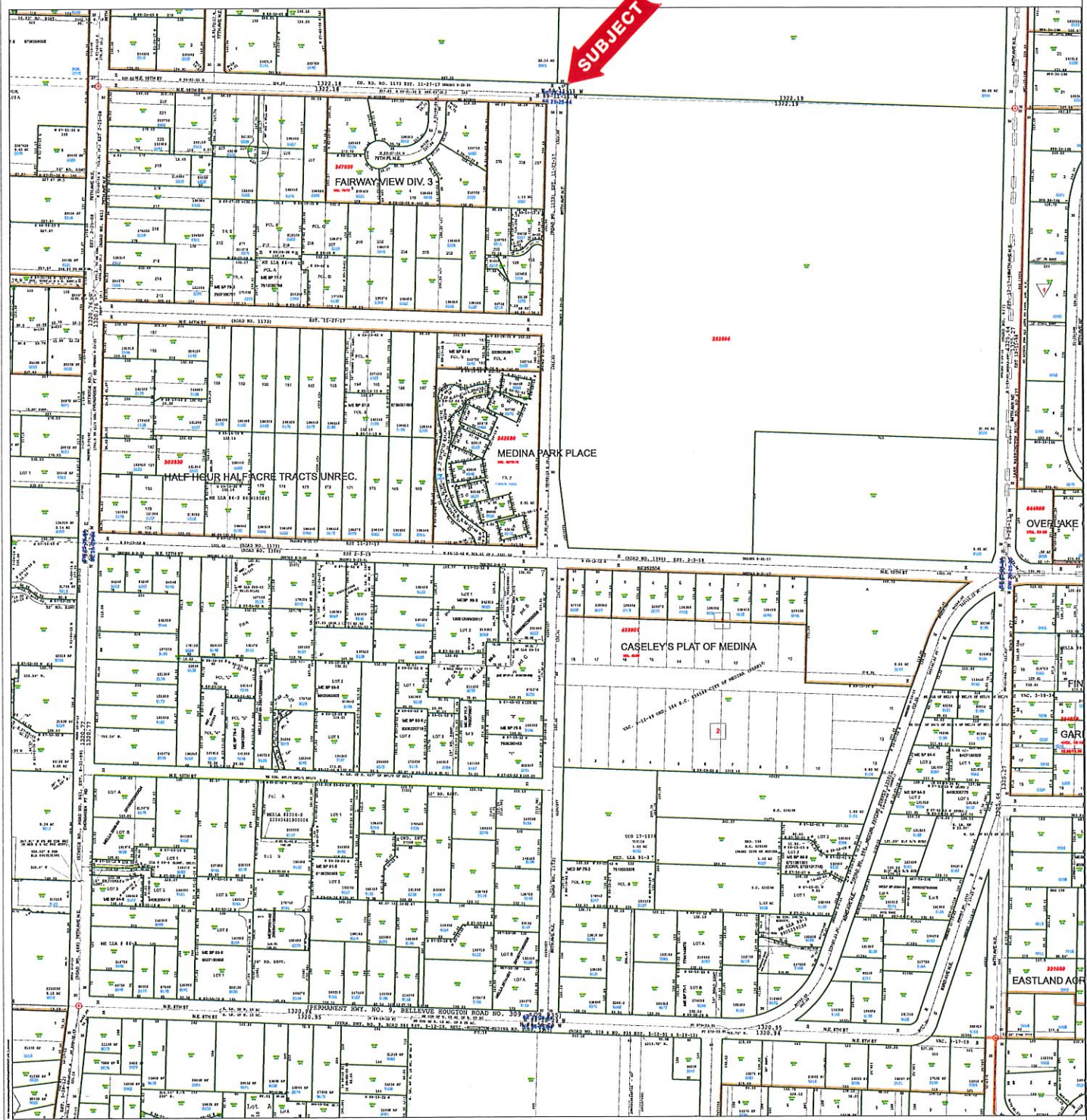
With the overall market showing resistance to any uptick in pricing, it would not appear supported to predict a significant increase in the near future. However, I do conclude that the local market will most likely be stable.

SITE DESCRIPTION

Shape and size

As shown on the following **Plat Maps**, which are two scales of the King County Assessor's maps for all or a portion of the SE 1/4 Section 25, Township 25 North, Range 4 East, W.M., the subject consists of an ell shaped assemblage of portions of the right of ways for both NE 16th Street (the northerly portion of the ell) and 80th Avenue NE (the southerly portion of the ell).

If the NE 16th Street portion is extended to the east line of the 80th Avenue NE right of way, this portion is 60 feet north-south by 228.28 feet east-west or 13,696.80 square feet. If the 80th Avenue NE portion is extended to the south line of the NE 16th Street right of way, this portion is 300.68 feet north-south by 60 feet east-west or 18,040.8 square feet resulting in a total gross area for the entire proposed vacation of 31,738.60 square feet.



The above dimensions are based on those shown on the King County Assessor's map. Thus, these dimensions and the land areas calculated therefrom should be reliable.

Assumed Total Gross

Vacation Area±31,738.60 Square feet

Topography, soils & vegetation

Most of the vacation area is level to gently sloping with no topographically related limitations to its use. There is a short, steeper slope at the southerlymost end of the south leg from the level of the Country Club parking area down to the northerlymost portion of the developed 80th Avenue NE roadway.

According to the NRCS soil survey (See **Exhibit 1**), the property is mapped with the Alderwood gravelly sandy loam, 8-15% slopes, soil group. The Alderwood soil consists of indurated basal till (hardpan) usually at 30 to 50 inches overlain by a surface soil which is an admixture of loess, volcanic ash and ablation till.

Being the most common soil type in the Puget Sound region and with its extent having been heavily developed with both residential and commercial building improvements, the underlying soils should be supportive of whatever, if any, improvements may be placed thereon.

The area proposed for vacation presently supports a mostly paved area supporting an access road and parking spaces. The southerlymost portion of the 80th Avenue NE right of way has been recently used for bunker sand storage and also supports several small trees and some brush.

Street improvements, access and parking

NE 16th Street is presently a narrow, two lane paved roadway with minimal ancillary improvements. With this roadway unlikely to access any significant amount of additional properties into the foreseeable future and with it being a minor, lightly traveled street, these existing street improvements provide the local residents and Country Club users with access adequate to serve their needs.

The developed portion of the 80th Avenue NE right of way north of NE 14th Street is a very narrow one to two lane paved roadway which effectively serves as access to two driveways for homes on its west side. Although it does not presently supply vehicular access to the Country Club property, there is a paved trail, the Points Loop Trail, leading from the end of the developed portion into the Country Club ownership.

In any case, neither leg of the combined right of way proposed for vacation appears to be essential to the public.

At the present time, there are some 40 paved parking spaces on the subject right of way, and all of these spaces are located on the southerly leg. The southerly leg also supports portions of the circulation areas accessing this parking, some landscaping and a small portion of the Points Loop Trail.

The westerly leg supports the main paved access way off the end of NE 16th Street. Both the north and south sides outside of the paved access way support a variety of landscaping and access to a number of the privately owned parking spaces supporting the Country Club.

In any case, closure or redevelopment of the subject right of way would negatively impact the Country Club's ability to continue to function efficiently.

Utilities

The immediate area is supplied with all public and private utilities necessary to support the local residential uses. At the time of inspection, the City of Medina was upgrading some utility lines in the southerly leg of the proposed vacation area.

ASSESSED VALUE AND REAL ESTATE TAXES

The subject sections of right of way are not assessed as they are public property. Generally, local land assessments on residential properties are mostly in the range of $\pm \$100$ to $\pm \$260$ per square foot with a central tendency close to \$170.

ZONING

The area of the subject has the City of Medina R-20 zoning. This is a single family zone with an ostensible minimum lot size of 20,000 square feet. This zone has a requirement of 70 feet for both minimum lot width and minimum street frontage.

Setbacks from the front and rear property lines for a lot the size of that abutting the subject are 30 feet with side setbacks are between 10 and 20 feet.

For large lots like that abutting the subject, the maximum lot coverage is 21% and the maximum impervious surface is 52.5%.

HIGHEST AND BEST USE

The concept of Highest and Best Use is based on the following definition:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, published by the Appraisal Institute, 2015).

There are two dimensions to Highest and Best Use, one for the property as vacant and one for the property as improved. Because the subject strip is vacant, only the former will be addressed here.

As If Vacant

The prior Fourth Edition provides a definition of Highest and Best Use As Vacant as follows:

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Applying the four criteria from the above definition:

Legal permissibility

The underlying R-20 zoning permits primarily single-family residential use.

Physical possibility

Considering the fact that the entirety of the proposed vacation area is abutted by and effectively located within the confines of the Overlake Golf and Country Club, it would serve best as an inclusion within that overall facility, and this is what is being proposed.

That said, if each leg of the right of way were granted a variance to allow a lot width of 60 feet compared to the 70 feet in the code and at least one were granted a variance in regards to lot size, each could potentially serve as a buildable lot with direct access to each from a

dead end street. Although theoretically possible, such a use is very unlikely.

Financial feasibility and maximum profitability

The highest possible price for the proposed vacation area is most likely supported by its addition to the abutting Country Club property, as proposed. Although the alternative of establishing two buildable lots might fetch a higher price, it would also be very unlikely and also unpopular to the established Country Club use.

SALES COMPARISON APPROACH

This Sales Comparison Approach is based on the premise that the prudent purchaser/investor will pay no more for the subject than the price of acquiring a similar, competitive property in the same or a competing market (Principle of Substitution).

It should be noted that this is an "across the fence" valuation using sales of fully functional properties to assist in estimating the value of the subject right of way. This is the most common and most accepted means of valuing right of way properties like the subject.

All of the available comparables had existing homes in place at the times of sale or listing. I originally investigated 13 comparables.

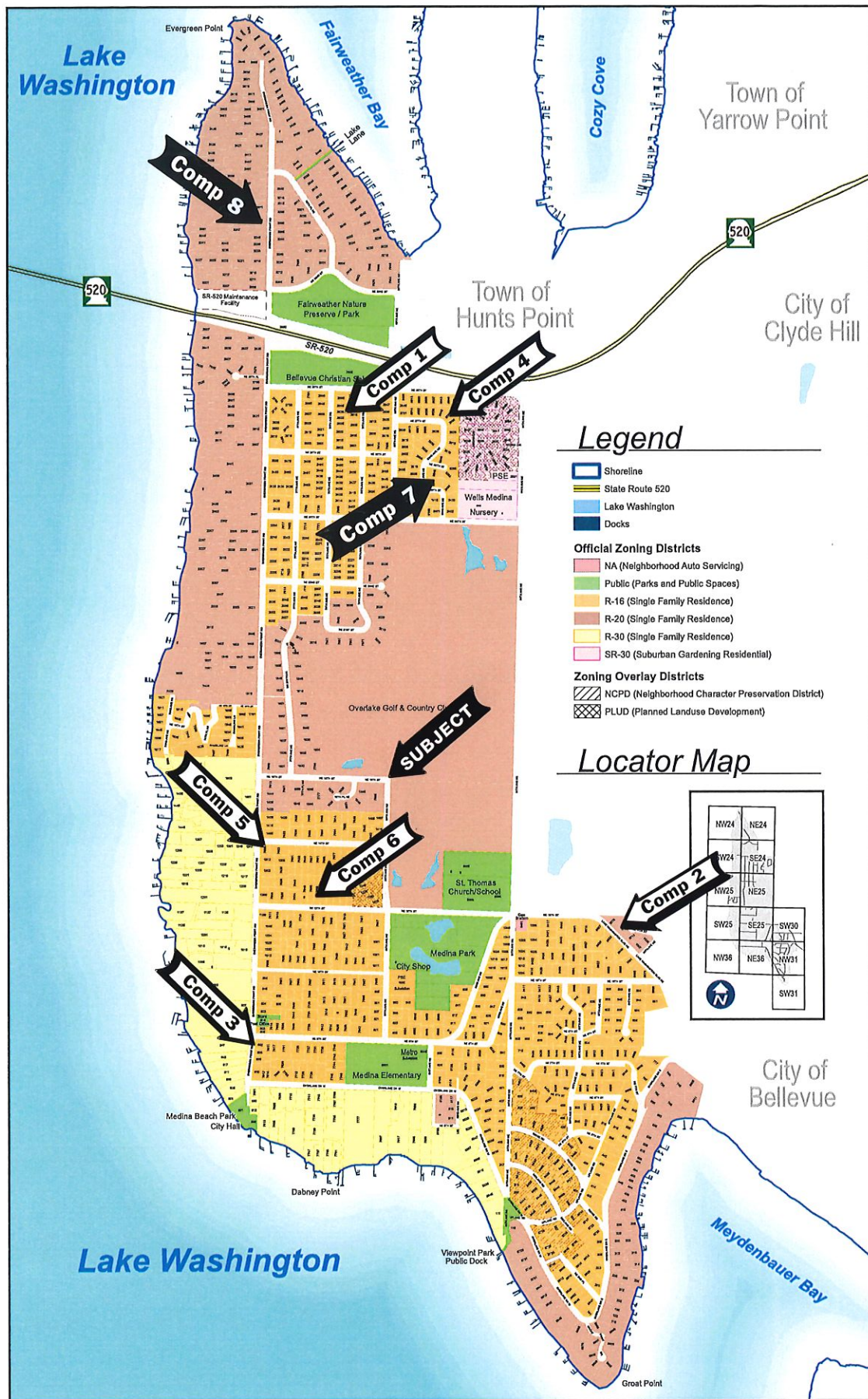
These 13 were narrowed down to eight based on the Assessor's application of a nominal \$1,000 in improvement value for each indicating the Assessor's opinion that the improvements on these various comparables have reached the end of their economic lives. This is supported by several of the recent buyers applying for demolition permits.

These eight were concluded to provide the best possible evidence of underlying land values which would be potentially applicable to the subject.

The basic details of these comparables are summarized below followed by a location map and discussion and correlation of value for the subject.

SALE SUMMARY

No.	Location/ Address	Sale Date	Sale Price	Approx. Size (SF)	Ind. Price/SF
L-1	2438 78th Ave NE, Medina	04/22	\$2,450,000	8,119	\$301.76
L-2	1076 Lake Washington Blvd, Medina	03/22	\$2,655,000	15,945	\$166.51
L-3	632 Evergreen Point Rd, Medina	10/21 List.	\$2,900,000 \$2,998,000	11,100 11,100	\$261.26 \$270.09
L-4	8050 NE 27th St, Medina	03/22	\$3,050,000	13,501	\$225.91
L-5	7605 NE 14th St, Medina	05/22	\$3,200,000	10,251	\$312.16
L-6	7652 NE 12th St, Medina	12/22	\$3,225,000	19,852	\$162.45
L-7	8240 NE 25th St, Medina	04/22	\$3,800,000	16,071	\$236.45
L-8	3309 Evergreen Point Rd, Medina	06/22	\$4,000,000	26,136	\$153.05



Address & Zoning Designations

This map was produced by the City of Medina GIS. It does not represent survey accurate data. No warranty, of any sort, including accuracy, fitness, or merchantability, is made by the City of Medina.

Source: King County Open Data GIS

Official Zoning Map

- Ordinance No. 907
- Passed by City Council, 5.12.2014
- Amended by Ordinance No. 961
- Effective Date: 7.9.2018



0 400 800 1,600
1" = 400'
Original plot size is 24"x42". 1"=400' scale is not accurate at smaller print sizes.

Vicinity Map



COMPARABLE SALES PHOTOS

L1



L2



COMPARABLE SALES PHOTOS

L3



L4



COMPARABLE SALES PHOTOS

L5



L6



COMPARABLE SALES PHOTOS

L7



L8



Correlation and Conclusion

These eight comparables (using only the closed sale on L-3), have a range in price paid per square foot for the land from \$153.05 to \$312.16 with a mean of \$227.44 and a median of \$231.78 indicating a reasonably even distribution of the data within the range. Generally, the larger the lot, the lower the indicated price paid per square foot.

This is instructive in regards to valuing the subject as its size is larger than all of the comparables. Thus, conservative judgment should be applied.

The total pricing for the eight comparables ranges from \$2,450,000 to \$4,000,000 with a mean of \$3,160,000 and a median of \$3,125,000 indicating a slight tendency toward the lower end of the range.

The underlying lots range in size from 8,119 square feet to 26,136 square feet with a mean and median of 15,122 and 14,723 indicating a slight tendency toward the lower end of the range. Again, the larger the lot, the tendency is for its indicated price per square foot to be lower.

There are presently (03/24/2023) 12 active listings in Medina with the lowest priced one at \$2,480,000. It is clear that any given party wishing to participate in the local market will be faced with paying circa \$2,500,000+ to live within the Medina City Limits.

Thus, even properties with older homes in average or lower condition and quality will likely sell at \$2,500,000+ with marketing times, in spite of currently challenging market conditions, of less than one month. With these market conditions, it is likely that the lowest price which will be paid for the land underlying a given expendable home is at the \pm \$150.00 per square foot level of Comparable L-8, especially if the underlying lot is larger in size.

Given the available data and considering that the subject right of way is larger in lot size than any of the comparables, it is my conclusion that its value is a rounded \$150.00 per square foot or a rounded total for the assumed 31,738.60 square feet of \$4,760,000.

Sales Comparison Approach

Value Indication **\$4,760,000**

FINAL CONCLUSION

Because the Sales Comparison Approach was the only appropriate means of valuation, its result at \$4,760,000 is appropriated as the final, correlated value conclusion.

Final Correlated Market Value\$4,760,000

Exposure and Marketing Times

All of the sales researched as part of the appraisal process occurred within one year or less of listing. Only overpriced properties or those with difficulties which needed to be overcome prior to closing might take longer than one year to close.

Thus, the value estimate herein assumes an exposure time of less than one year. Also, if the property were listed for sale at the value concluded herein, it would likely sell within one year, probably less.

Thus, no discounting for the prospect of an extended marketing time is necessary.

Exhibit 1


Soil Map—King County Area, Washington





A vertical scale bar labeled "Feet" with markings at 0, 50, 100, 200, and 300.


MAP LEGEND


- Area of Interest (AOI)

Area of Interest (AOI)


Soils


Soil Map Unit Polygons


Soil Map Unit Lines


Soil Map Unit Points


Special Point Features


Blowout


Borrow Pit


Clay Spot


Closed Depression


Gravel Pit


Gravelly Spot


Landfill


Lava Flow


Marsh or swamp


Mine or Quarry


Miscellaneous Water


Perennial Water


Rock Outcrop


Saline Spot

Sandy Spot


Severely Eroded Spot

Sinkhole


Slide or Slip


Sodic Spot


Water Features


Streams and Canals


Transportation

Rails


Interstate Highways

US Routes

Major Roads

Local Roads

Background

Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.
Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: [Web Soil Survey URL](#)
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: King County Area, Washington
Survey Area Data: Version 18, Sep 8, 2022

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 31, 2022—Aug 8, 2022

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

USDA
Natural Resources
Conservation Service

Web Soil Survey
National Cooperative Soil Survey

1/24/2023
Page 2 of 3

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
AgC	Alderwood gravelly sandy loam, 8 to 15 percent slopes	12.1	100.0%
Totals for Area of Interest		12.1	100.0%