



Joint Meeting Lacey City Council and North Thurston Public Schools Board of Directors Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, October 22, 2024

6:00 PM

Komachin Middle School

1. Call to Order

2. Roll Call

3. Land Acknowledgment

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

4. Approval of the Agenda

5. Public Comment

Refer to the bottom of the agenda for instructions on how to provide public comment.

6. Agenda Items

A. Young Child and Family Center Update

Jen Burbidge, Parks, Culture, and Recreation Director
Sean Dotson, Assistant Superintendent, Operations

B. Youth Advisory Groups

Nikki Grubbs, Assistant Superintendent, School Leadership
Sadie Siglin, Management Analyst

C. LOTT Surplus Property

Jennifer Adams, Housing Coordinator

7. Adjourn

Meeting Information:

Attendance

The public may attend the meeting in person, or you may view or listen to the post-meeting recording using one of the following platforms:

In-Person: Komachin Middle School Commons
3650 College Street SE, Lacey, WA 98503
Website: <https://cityoflacey.org/government/public-meetings/>
YouTube: <https://www.youtube.com/watch?v=1fAtPpCAAoo>

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may use the sign-up sheet located at the meeting.

Written Public Comment

Public comments may also be submitted by email to PublicComment@cityoflacey.org. The commenting period will close two hours before the meeting time.

Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.





LACEY CITY COUNCIL WORKSESSION

October 22, 2024

SUBJECT: LOTT Water Alliance Surplus Property

RECOMMENDATION: Informational Briefing on opportunity to acquire LOTT Clean Water Alliance surplus property, located at 5025 Mullen Rd. SE, Lacey.

STAFF CONTACT: Rick Walk, City Manager *RW*
Vanessa Dolbee, Community & Economic Dev. Director *VD*
Ryan Andrews, Community Planning Manager
Jennifer Adams, Housing Coordinator *JA*

ORIGINATED BY: Community & Economic Development Department

ATTACHMENTS:

1. MOU between the City and LOTT
2. Location Map
3. Property Appraisal Report
4. Conceptual Plan
5. Pre-submission Report
6. Pocket Gopher Study (1)

FISCAL NOTE: An appraisal was conducted of the LOTT owned parcel was conducted, which determined an appraised value of \$700,000 for approximately 5.32 acres zoned Open Space Institutional.

PRIOR REVIEW: Lacey City Council Worksession – September 24, 2024

BACKGROUND:

On March 28th, 2024 the City entered into a memorandum of understanding (MOU) with LOTT Clean Water Alliance (LOTT) concerning the parcel of land located at 5025 Mullen Rd. SE, Lacey, identified by tax parcel number 11828320203. Originally, the parcel was intended for the future siting of a reclaimed water facility, however, upon completion of LOTT's master planning process, the facility was deemed unnecessary and therefore considered unusable for LOTT's purposes.

House Bill 1695, adopted by the State Legislator in July of 2023, added provisions allowing for municipalities to surplus public property for affordable housing. The City identified that the acquisition of this property could support future development of affordable housing in partnership with an affordable housing provider. Therefore, the City chose to enter into the MOU with LOTT to consider acquisition of the property at 5025 Mullen Rd. SE.

The MOU terms grant the City until December 31, 2024 to perform all necessary due diligence and identifies that the parties will work together in good faith for a possible purchase and sale agreement for the Property. At such time, if both parties to the MOU wish to proceed, further steps as outlined in the MOU will be taken to enter into a formal purchase and sale agreement. (See attachment 1 – MOU between City and LOTT)

Property Details

The 5.32-acre parcel is located on the south side of Mullen Road SE, approximately 700 feet southeast of the intersection with College Street SE and in the City limits of Lacey. Property address is 5025 Mullen Rd. SE, and is identified as tax parcel number 11828320203. (See attachment 2 – location map) The site is currently zoned as Open Space Institutional (OS-I) thus a rezone or code amendment, that would permit housing development, would be necessary to allow for the site to be developed with an affordable housing project.

Appraisal Report | Anderson Appraisal, LLC

Per the terms of the MOU, an appraisal for the property was completed by Anderson Appraisal, LLC, and derived a value of \$700,000 for the subject property. (See attachment 3 – Property appraisal report for more detailed appraisal information)

Design Charette

City planning staff developed a conceptual site design using a 60-unit cottage development proposal to maximize density under current code – Cottage Housing [Chapter 16.62 LMC](#), and to achieve the goals of small, detached housing types, clustered around open space areas. (See attachment 4 – Conceptual plan)

Utilizing this conceptual plan, a pre-submission conference was held with appropriate staff members to determine the viability of a cottage housing proposal as one option for residential development. General findings support the design proposal when all requirements including those for infrastructure and design criteria are met. (See attachment 5 – Pre-submission report)

Current Due Diligence | Pocket Gopher Study

To further due diligence, the City elected to contract with S2C LLC, for a Mazama Pocket Gopher Study, to confirm or deny gopher presence on the site. Due to the nature of this assessment, the federal law requires that if NO gopher activity is found upon the first study, a second study shall be required approximately thirty days from the date of the first, with all studies completed by October 31st, the date the assessment window closes.

S2C LLC, completed the first study on September 27, 2024 and reported that gopher activity was NOT detected, thus a second study has been scheduled to be performed at the end of October, 2024. If no gopher activity is confirmed during the second study, no further action will be needed. However, if the presence of gophers is detected, further steps for mitigation would be required in order to allow development on the site. (See attachment 6 – Pocket gopher study)

Potential Partnerships for Development

While the City and LOTT Alliance have partnered to begin the preliminary steps to consider the transfer of ownership of the land through a potential purchase and sale agreement, achieving the end goal to create accessible and affordable housing units on the site will require a strong partnership with a housing provider. For example, agencies such as the Housing Authority of Thurston County and the North Thurston School District may be considered to strengthen the partnership and achieve collective goals to produce affordable housing options in the broader Lacey community.

NEXT STEPS:

If the City decides to pursue their option to enter into a purchase and sale agreement with LOTT Alliance for the Mullen Rd. property, the parties will work together to determine the terms of this agreement.

In addition to purchasing the property, the City will need to take further steps to amend the comprehensive plan designation and zoning or amend development standards to allow the property to be used for residential use, and secure a partnership with a housing provider for the desired type of affordable housing development.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LACEY AND LOTT CLEAN WATER ALLIANCE
REGARDING A PURCHASE AND SALE AGREEMENT FOR MULLEN ROAD PROPERTY**

This Memorandum of Understanding ("MOU") is made and entered into this 28th day of March, 2024 by and between the City of Lacey ("City") and the LOTT Clean Water Alliance ("LOTT"), referred to collectively as "Parties" or "the Parties."

I. RECITALS

Whereas, LOTT owns property located at 5025 Mullen Rd SE, parcel 11828320203 (referred to herein as the Property), that was originally purchased for the purpose of siting a future reclaimed water facility; and

Whereas, LOTT has completed a master planning process and has determined that future infiltration facilities at this location are not necessary; and

Whereas, the regional housing crisis has shown the need for additional affordable housing in the City; and

Whereas, the City has needs to acquire land for future affordable housing, and the City and potential partners have resources to support the development of such facilities; and

Whereas, the City has expressed that acquisition of the Property would support these efforts and offer multiple community benefits; and

Whereas, the parties need sufficient time to explore the feasibility of a purchase and future land uses, including completion of an appraisal to determine property values, the viability of potable production and treatment facilities, and the exploration of potential partners related to development and operation of a community recreational facility; and

Whereas, the Parties wish to express their commitment to explore a sale of the Property provided certain conditions are met, which are generally described below; and

Whereas, if during the feasibility period the parties mutually desire to proceed with purchase, a purchase and sale agreement will indicate in greater detail the conditions upon which the sale of the Property will take place; and

Whereas, the Parties intend by this document to memorialize steps to be taken in preparation for entering into a possible purchase and sale agreement and their understanding concerning the general conditions necessary to enter into a purchase and sale agreement as further set forth below.

NOW, THEREFORE, the Parties agree as follows:

II. STEPS TO BE TAKEN ON DETERMINING FEASIBILITY OF A POSSIBLE PURCHASE AND SALE

- A. The Parties will continue due diligence regarding the sale and purchase of the Property and the benefits provided therein.
- B. Upon request, LOTT shall make available to the City copies of any existing studies, reports, surveys, soils tests, reviews, correspondence with all governmental entities, environmental checklists and reports, plans, and other printed or written material (all of which are collectively referred to as "Studies") prepared or received by, or on behalf of, LOTT with respect to the Property.
- C. The Parties will work together in good faith to identify a mutually approved third party property appraiser. LOTT will obtain and pay for the appraisal. The appraisal shall be completed and shared with the City by August 31, 2024.
- D. The Parties agree to advance internal evaluation and discussion of a possible sale with staff and their respective governing bodies and determine the desire to move forward with a purchase and sale agreement.
- E. The Parties will work together in good faith with the mutual goal of defining an acceptable sales price and financing plan acceptable to both Parties, as a basis for a possible purchase and sale agreement for the Property.
- F. The Parties will work together in good faith to develop a mutually acceptable agreement for access to the Property to facilitate the City's evaluation of the Property. This MOU does not grant access to the Property.
- G. Should the City determine ownership of the Property is desirable, the City will provide LOTT a written Letter of Intent by December 31, 2024 stating its interest in acquiring the Property. Within 90 days of receipt of said Letter of Intent, the LOTT Board of Directors will consider action declaring the property surplus to LOTT's needs.

III. GENERAL CONDITIONS FOR PURCHASE AND SALE

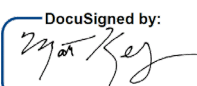
- A. Term and Amendment. If a Letter of Intent to purchase the Property has not been provided to LOTT by December 31, 2024, this MOU will terminate. If a purchase and sale agreement for the acquisition of the Property is not completed on or before June 30, 2025, this MOU will terminate. The Parties may mutually agree to extend any deadline contained in this MOU. Any amendment to this MOU must be in writing and mutually agreed to by both Parties.
- B. Legal and Regulatory Requirements. The Parties agree that any purchase and sale agreement arising from this Memorandum must be in accordance with all applicable laws and regulations, including those from the Washington State Auditor's Office. The purchase and sale agreement

will account for the fair market value of the property and ensure that LOTT is fully compensated for the value of the Property.

- C. Consideration. The Parties will work together to determine the form and timing of consideration to be received by LOTT for the Property. This consideration could involve both cash and non-cash consideration and could be transferred to LOTT at any point from the date the purchase and sale agreement is executed up to five (5) years thereafter, subject to legal and regulatory requirements. Any consideration that is exchanged after the date of the purchase and sale agreement shall also include applicable interest, interest at a rate sufficient to ensure full value is received by LOTT for the Property.
- D. Easement. LOTT may desire to establish an easement on the property. The Parties agree to work to establish one or more easements as necessary to meet LOTT's current and future needs.
- E. Limitations. During the term of this MOU, LOTT shall not dispose of the Property to any entity other than the City without the written consent of the City, except as otherwise provided herein. LOTT may enter into a secondary agreement with another entity should the agreement with the City not be consummated.
- F. Authority. Each Party and each individual signing on behalf of each Party, hereby represents and warrants to the other that it has full power and authority to enter into this MOU and that its execution, delivery, and performance of this MOU has been fully authorized and approved, and that no further approvals or consents are required by either Party to enter into this MOU.
- G. Non-Binding Understanding. This MOU is intended only as a memorandum of understanding that will guide the acquisition of the Property by the Parties. Except for Section III(E), Limitations, it does not create a legally enforceable agreement. This MOU is not in itself an offer to sell or a Commitment to purchase the Property. Rather, it is an expression of the Parties' intent to enter into negotiations for such a purchase.

IV. SIGNATURES

LOTT CLEAN WATER ALLIANCE

DocuSigned by:

By: E285A32BB6374CB...
Matthew J. Kennelly, PE
Executive Director

Date: 3/29/2024

CITY OF LACEY

DocuSigned by:

By: 6ABDB358138849C...
Rick Walk
City Manager

Date: 4/4/2024

Approved as to form

DocuSigned by:

By: 223F323577FF4B3...
David Schneider
City Attorney

EXHIBIT A
General Property Boundaries



Property Location | 5025 Mullen Rd. SE, Lacey



Appraisal Report

**Mullen Road SE Land
XXXX Mullen Road SE
Lacey, Washington
Purchase Order 1425**

Prepared For:

LOTT Clean Water Alliance

ANDERSON APPRAISAL, INC.

Real Estate Appraisers and Consultants

ANDERSON APPRAISAL, INC.

EIN: 91-1486688 • TELEPHONE (360) 943-8400 • EMAIL: DEREKJ@ANDERSONAPPRAISALINC.COM
P. O. BOX 2694 • OLYMPIA, WASHINGTON 98507

Date of Report: May 2, 2024

Mr. Justin Long
LOTT Clean Water Alliance
500 Adams Street NE
Olympia, WA 98501

Re: Mullen Road SE Land
XXXX Mullen Road SE
Lacey, Washington
File No. 6476-24ADS

Dear Mr. Long:

In accordance with our engagement, Anderson Appraisal, Inc. evaluated the above referenced property, utilizing best practice appraisal standards for this property type. The appraisal was conducted in compliance with our understanding of the following: Uniform Standards of Professional Appraisal Practice (USPAP), appraisal guidelines of LOTT Clean Water Alliance, and all applicable state and federal laws and regulations including licensing and registration. The undersigned hereby certifies that no attempt was made by the client or any third party to influence the valuation through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

The purpose of this appraisal is to develop an opinion of the Market Value of the subject property's Fee Simple Estate. The Appraisal Report is as defined by USPAP Standards Rule 2-2(a). The following table conveys the final opinions of market value that are developed within the body of the report.

Value Type	Value Premise	Value Perspective	Interest Appraised	Effective Date	Indicated Value
Market Value	As Is	Current	Fee Simple	4/23/2024	\$700,000

The appraisal report has been prepared for the exclusive benefit of LOTT Clean Water Alliance. It may not be used or relied upon by any other party without our written consent. The reader's attention is directed to the Underlying Assumptions and Limiting Conditions, on page 53. We appreciate the opportunity to serve you, and if you have any questions regarding this report, please feel free to call.

Sincerely,



Derek R. Jolliff, MAI

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Summary of Salient Facts and Conclusions

Introduction:

The subject is a 5.32-acre parcel, currently zoned Open Space-Institutional. It was purchased from the school district by LOTT Alliance in 2006 for use as a water reclamation site. It was, however, deemed to be surplus and eligible for disposition. The site has good residential development potential but would need to be rezoned. It is expected to be rezoned by the City of Lacey in 2025 as part of the 2025 rewrite of the Comprehensive Plan.

<i>Property Identification:</i>	Mullen Road SE Land.
<i>Parcel Number(s):</i>	11828320203.
<i>Ownership:</i>	LOTT Alliance.
<i>Property Type:</i>	Land Other.
<i>Land Area:</i>	5.32 acres or 231,727 SF.
<i>Zoning:</i>	OS-I, Open Space Institutional.
<i>Highest & Best Use:</i>	Residential Development.
<i>Type of Appraisal:</i>	As requested, this is an Appraisal Report, which is USPAP compliant.
<i>Effective Date(s) of Value:</i>	April 23, 2024.
<i>Date of Report:</i>	May 2, 2024.
<i>Rights Appraised:</i>	Market Value of the Fee Simple Estate.
<i>Client & Intended Use:</i>	The client (intended user) is LOTT Clean Water Alliance. The function (intended use) of this appraisal is to evaluate the real property for a selling decision.

Value Indicated By:	
Cost Approach:	Not Applicable
Sales Comparison Approach	\$700,000
Income Approach:	Not Completed
FINAL ESTIMATE OF MARKET VALUE:	\$700,000

Subject Photographs



Aerial View



Subject Street View



Mullen Rd, Looking SE



Mullen Rd, Looking NW



Subject Interior, Looking S



Subject Interior, showing slope



Subject Interior, Looking SW



SE corner, looking SW along boundary



Subject Interior, Looking W



Subject S portion, showing residential use to S



Subject Interior, Looking E



Subject Interior, Looking NNE



Subject Interior



W boundary, Looking S



W portion, Looking N



SW corner, Looking E

Introduction

<i>Type of Property:</i>	Mullen Road SE Land.
<i>Address of Property:</i>	XXXX Mullen Road SE, Lacey, Washington.
<i>Location:</i>	South side of Mullen Road SE approximately 700' southeast of the intersection with College Street SE in the City Limits of Lacey in Thurston County.
<i>Owner of Record:</i>	LOTT Alliance.

Legal Description

No title report has been furnished. The legal description shown in public records is as follows:

"Section 28 Township 18 Range 1W Quarter SW SW DAF: COM SW COR SEC 28 THENCE N01-38-58E 1319.22F TO NORTH LINE SW SW, THENCE S87-59-28E 660.01F TO EAST LINE SW SW, THENCE S01-38-58W 108.85F TO X S".

Purpose of Appraisal

The purpose of this appraisal was to estimate the Market Value a buyer would be justified in paying for the subject property, Fee Simple Estate, as of April 23, 2024.

Intended Use of Appraisal

This appraisal report is intended for the sole and exclusive use of LOTT Clean Water Alliance to evaluate the real property for a selling decision..

Definition of Client

The term "Client" is defined in USPAP as:

"The party or parties who engage an appraiser (by employment or contract) in a specific assignment."

The client (intended user) of this appraisal report is LOTT Clean Water Alliance.

Unavailability of Information

The following information was not provided or available to the appraisers:

Title Report
Environmental Reports

Extraordinary Assumptions

The subject is in an area designated as "More Preferred" Mazama Pocket Gopher soils which are indicative of possible Mazama Pocket Gopher habitat. Mazama Pocket Gophers are an endangered species and the presence of active habitat could significantly impact the subject. It is unknown if the subject has active Mazama Pocket Gopher Habitat thus there is an Extraordinary Assumption that there is no Mazama Pocket Gopher habitat located on the subject. The use of this Extraordinary Assumption may have affected the assignment results.

Hypothetical Conditions

None.

Definitions

Market Value¹

The most probable price that 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. (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).*

Fee Simple Estate²

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.

Property Rights Appraised

The Fee Simple Estate is appraised herein, subject to zoning, easements, and other governmental restrictions of record.

¹The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 142.

² The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 90.

Date of Inspection

The last date of physical property inspection was April 23, 2024. Present during the inspection were the following individuals: Alison Anderson Snodgrass, Assistant Appraiser, Derek Jolliff, Appraiser.

During the inspection, the appraiser visually surveyed the subject by walking the site perimeter, road frontages, and portions of the interior. The appraiser is not a surveyor, environmental, or geotechnical specialist. The client is urged to retain such if so desired. Should there be physical characteristics not commensurate with the observed areas that are later discovered, we reserve the right to modify the report and value conclusions presented within.

Property History

The subject, a 5.32-acre undeveloped parcel, was purchased from the Lacey School District by LOTT Clean water Alliance for a potential water reclamation satellite site. The LOTT 2050 Master Plan identified the ability to expand capacity at existing site, rendering the subject parcel, among others, surplus. The parcel is on a list with several parcels in the neighborhood with OS or similar zoning to be evaluated by the Long Range Planning Department and the Planning Commission for rezoning according to their highest and best use and city goals. Discussions with the City of Lacey Planning Department indicated the site will likely be rezoned to LD, Low Density residential, but they could not guarantee that until the Planning Commission begins the process. There are reported discussions of a possible purchase of the property by the City of Lacey, but there is not a public memorandum of understanding or contract for the property available.

The subject has not sold in the three years prior to the date of value and is not currently under contract or being marketed for sale.

Scope of Work

This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP), as formulated by the Appraisal Foundation.

The subject property is appraised based on the following Scope of Work:

- The property is identified as: Mullen Road SE Land.
- The property was inspected on April 23, 2024.
- The research of the local and regional economy and Thurston County Land market data included reference to various sources that include Thurston County Assessor, Washington

State Office of Financial Management, CoStar, Washington State Department of Labor and Industry, and our in-house surveys of the market.

- Specific data concerning the subject was obtained from various sources including the property owner, City of Lacey (zoning), and Thurston County (assessed values and real estate taxes).
- Data compiled in the analysis of the building sales and leases was obtained from Thurston County Assessor, NWMLS, CoStar, CBA (Commercial Broker Association), as well as our own in-house data files.
- All of the sales data were confirmed with a party involved in the transaction and/or through public records.
- The Sales Comparison Approach was fully developed.
- The reconciliation and final value estimate(s) are based on an overview of the weight applied to each approach by buyers and sellers in the current market, also taking into consideration the quality of the data available for each.
- Alison Anderson Snodgrass, License #21018996, provided significant real property appraisal assistance to the person signing this report by assisting in the: defining of the appraisal problem, performing preliminary analysis and planning, selecting and collecting data, performing an analysis of the subject property, estimating the subject's highest and best use, developing the approaches to value, reconciling value indicators, reaching defined value conclusions and reporting value conclusions as defined.

Exposure Time

"The time a property remains on the market. The estimated length of time 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 estimate based on an analysis of past events assuming a competitive and open market."³

The following information was taken into consideration to develop an estimate of exposure time for the subject property: recent comparable sale and current listing experience (i.e. days on market), interviews with real estate brokers/agents with experience marketing this property type, interviews with lenders who finance this type of real estate, and the subject property's overall physical and locational characteristics.

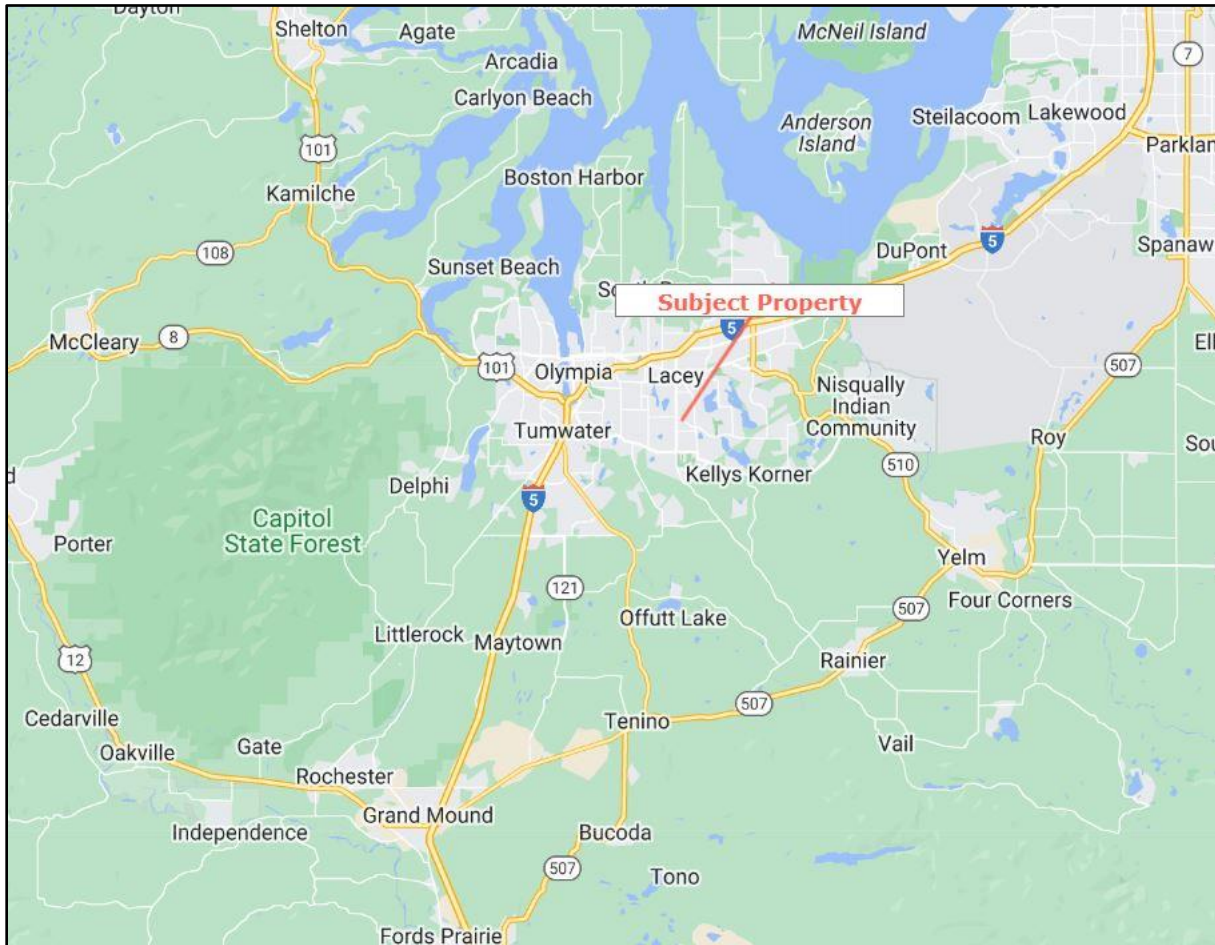
Based upon our research for this assignment, required marketing periods ranging between 17 days and 203 days were observed, with at least two properties having extended feasibility periods that delayed closing. Considering all of the preceding factors, the exposure period has

³ The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 83.

been estimated at approximately six months or less. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Market Area Summary

A market area is defined as "the geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users."⁴



Location

The subject is in the City Limits of Lacey which is part of the Olympia-Lacey-Tumwater metro area in Thurston County. Thurston County lies near the middle of a corridor running down the east side of Puget Sound that extends straight south to the Columbia River. This corridor consists of ten counties and holds approximately 69 percent of Washington State's population, with Thurston County projected as one of the fastest growing through the year 2015. Seattle is located about one hour's driving time to the North, and Portland is about two hours to the South via Interstate Highway 5.

Infrastructure and Public Services

The major transportation route in Thurston County is Interstate 5 which nearly bisects the county north-south and is the major north-south transportation corridor on the west coast. Other

⁴Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 139.

connecting major routes include US Highway 101 to the north, State Highway 8 providing east-west connection with Grays Harbor County, State Highway 507 providing access to Yelm and State Highway 12, in the southeast portion of the county. Intercity Transit (IT) is the region's public transit provider with regular fixed-route bus service throughout the County and inter-county service in conjunction with Pierce, Mason and Grays Harbor Transits. Thurston County is served by four rail companies, three freight and one passenger service, Amtrak.

Thurston County features one main marine terminal, Port of Olympia, a deep water port offering service for loading and unloading of international vessels. The Port of Olympia's Tumwater facility is the Olympia Airport and New Market Industrial Campus, totaling about 1,500 acres. Charter airline service is available at the airport, but scheduled airline service has been difficult to sustain over the years for a variety of reasons.

Thurston County has two hospitals, Providence St. Peter Hospital and Capital Medical Center. The two hospitals function as the regional medical center for five counties, both offering numerous specialty clinics and treatment centers. There are also numerous small medical clinics in the area.

Law enforcement is provided by municipal police departments in the major Thurston County cities and by the Thurston County Sheriff's Department in the smaller rural communities and unincorporated areas of the County. Residents of Thurston County are served by 16 fire districts and the three city fire departments of Olympia, Tumwater and Bucoda. Lacey fire protection is provided by contract with Thurston County Fire District #3.

Population

Thurston County has been one of the fastest growing counties in the State since the 1960's, consistently exceeding the State's overall rate of growth and is currently ranked the sixth most populous county in the State. From 2010 to 2020 (actual census numbers), the county population has increased 16.9%. The Olympia population increased 19.2%, Tumwater 47.2%, and Lacey was up 26.3% for the same time period. The city of Yelm has grown the fastest at 55.0%.⁵

County Municipality	Census 2020	Estimate 2021¹	Estimate 2022	Estimate 2023
Thurston	294,793	297,800	300,500	303,400
Unincorporated	144,856	145,255	143,760	143,980
Incorporated	149,937	152,545	156,740	159,420
Bucoda	600	595	610	620
Lacey	53,526	54,850	58,180	59,430
Olympia	55,382 \$	55,960	56,370	56,900
Rainier	2,369	2,440	2,510	2,555
Tenino	1,870	2,010	2,030	2,045
Tumwater	25,573 \$	26,050	26,360	27,100
Yelm	10,617	10,640	10,680	10,770

\$ represents corrected Federal Census numbers

Employment

The unemployment rate has remained low and nonfarm payrolls have expanded consistently over the year. Government employment in the county has remained steady and strong

⁵ OFM Forecasting, State of Washington, April, 2023; US Census, 2020

with no reason to see this trend not continuing. Ground has been broken on many new projects, including a craft brewing and retail sector in Tumwater which will include craft brewing space, distillery space and South Puget Sound Community College classrooms, as it launches new craft brewing and distillery classes. New hotels have been built or renovated and rooms are being filled on a regular basis.

Economy

In the case of Thurston County, state government has had a major role, and with its status as State Capitol, this is expected to continue. Unless the local economic base diversifies, employment and overall economic growth will continue to be dependent upon growth in State government and the continuation of the county becoming a regional trade and service center for neighboring counties.

Residential Development

As in much of the U.S., new residential activity boomed in Thurston County during 2003-2007, in both urban and rural areas. The nationwide "great" recession, which officially began Fall, 2007, severely impacted this area as well. Median home prices plummeted and took until 2013 to regain 2007 values.

Since 2013 home values continued to rise and began to skyrocket the past two years. The increase is mostly due to very low inventory of homes on the market and the new construction market unable to keep up with the demand. In addition, there has been an influx of people being outpriced in King and Pierce Counties and purchasing homes further south, in spite of the commute.

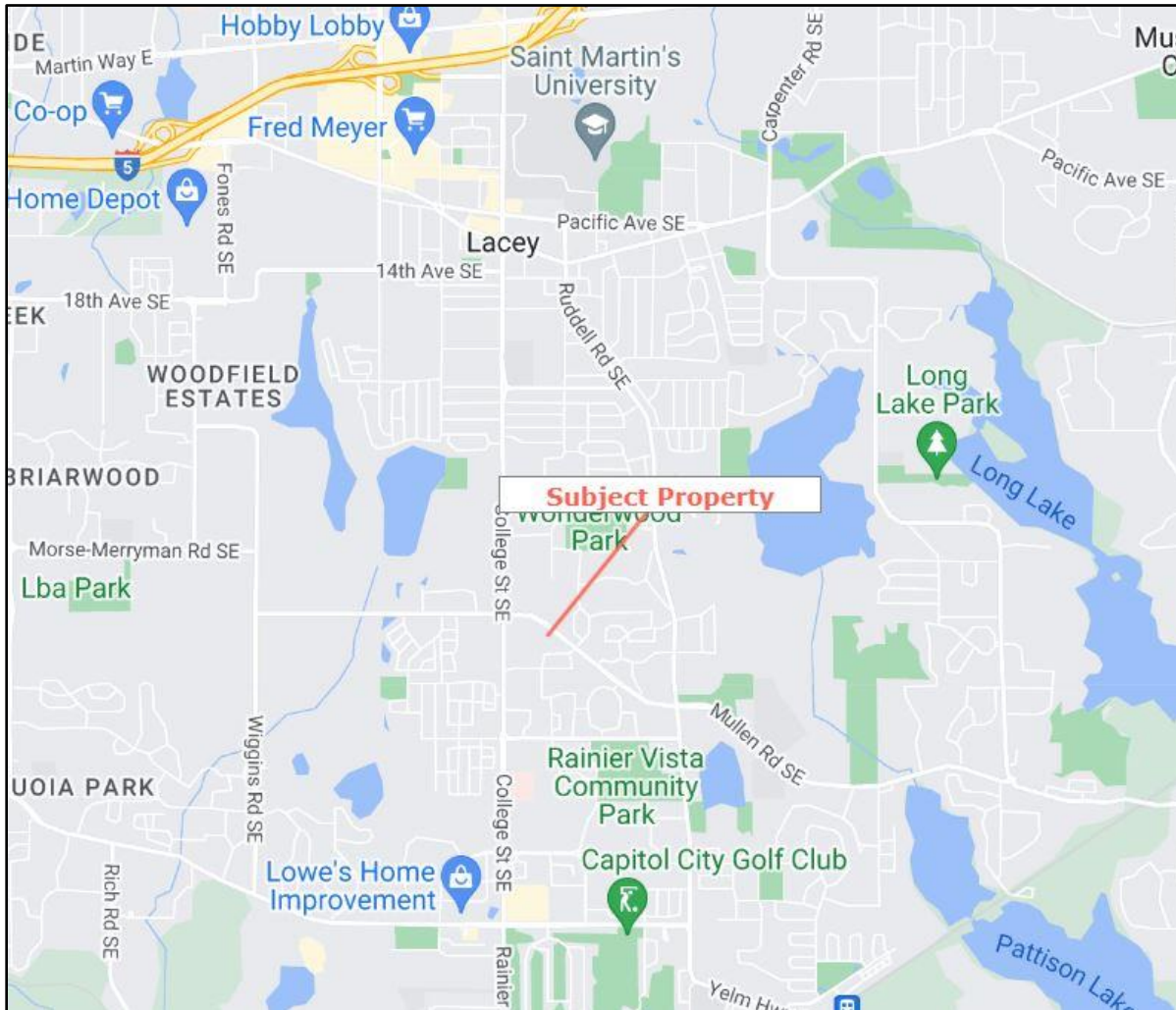
Summary

At this time, growth appears to be driven by the in-migration of people wanting to escape the more heavily urbanized communities to the north and continued spin-off of opportunities from being situated on Interstate 5, which continues to grow in traffic volume. In addition to being the center of state government, the Olympia/Tumwater/Lacey area is also a regional shopping and medical center for the more rural counties of Mason, Grays Harbor and Lewis. Regional economic issues such as Boeing's up and down-market impacts, typically aren't felt as strongly in Thurston County because of the insulating effects of its state government core.

The economy continues to draw new warehousing/manufacturing concerns, especially to the Hawk's Prairie/Meridian Campus northeast of Lacey. Growth throughout the county is expected to continue well into the future.

Neighborhood and/or District Summary

A neighborhood is defined as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁶ A district is defined as "a market area characterized by homogeneous land use, e.g. apartment, commercial, industrial, agricultural."⁷



Boundaries

North:	Lacey Blvd
South:	Yelm Hwy
East:	Ruddell Rd
West:	Chehalis Western Trail

⁶Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 156.

⁷Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 68.

Environmental Influences

<i>Construction Types, Ages:</i>	Predominately single family residential interspersed with institutional and multifamily developments; the neighborhood is bounded on the north and south by predominantly commercial development. Construction is mostly wood frame residential and masonry or metal frame institutional and commercial with ages ranging from early 1970s to present.
<i>General Maintenance:</i>	Overall maintenance in the neighborhood is considered average to good.
<i>New Development & Construction:</i>	There are no active developments in the permitting process in the neighborhood. There is some single-family and multifamily construction north and east of the subject neighborhood.
<i>Life Cycle:</i>	The neighborhood experienced infill from the late 2000s to the late 2010s. The neighborhood is largely built out with little to no vacant land that is currently zoned for development.
<i>Nuisances & Hazards:</i>	None noted.
<i>Public Utilities & Infrastructure:</i>	Typical public utilities are all available throughout the neighborhood.
<i>Linkages:</i>	College St SE and Ruddell Rd SE provide north/south linkage to large retail developments along Lacey Blvd and I-5 to the north and Retail goods and services along Yelm Hwy to the south. Lacey Blvd and Yelm Hwy provide good east/west linkages.
<i>Street Patterns:</i>	Neighborhood arterial and feeder streets.
<i>Public Transportation:</i>	The neighborhood is served by Intercity Transit with the following routes 64, 66, 67, 94.
<i>Goods & Services:</i>	The majority of typical goods and services, as well as amenities, are available at the northern and southern edges of the neighborhood.

Governmental Influences

<i>Zoning & Land Use Policy:</i>	City of Lacey. The primary zoning in the neighborhood is low to moderate density residential.
<i>Protective Services:</i>	City of Lacey police and fire protection .

<i>Tax Burden, LID's, etc.:</i>	No detrimental tax burdens or LID's noted
<i>Environmental Regulations:</i>	No adverse environmental regulations exist in the neighborhood.
Economic Influences	
<i>Income Characteristics:</i>	Household median income within a 2-mile radius of the subject is estimated at \$72,025 in 2023 (CoStar Properties 2-mile radius).
<i>Owner Occupancy:</i>	The owner occupancy rate in the neighborhood is 57% and renter occupancy is 42% in 2023 according to CoStar Properties 3-mile radius.
<i>Industry Employment:</i>	Approximately 32% of employees in the neighborhood are employed in Education and Health Services, 16% Trade Transportation and Utilities, and 12% in both Financial Activities and Professional and Business Services (CoStar Properties 2-mile radius).
<i>Population Density:</i>	Moderate density with 5.84 persons per acre.
<i>Quality of Community Services:</i>	Considered average to good.

Summary and Conclusions:

The neighborhood is characterized by the residential developments sandwiched between recreational amenities to the east and south of the neighborhood. It is considered to have good access to goods, services, and employment hubs. It has mostly single-family residential focus with some multifamily residential interspersed, as well as schools and religious institutions. The neighborhood is entirely in the Lacey city limits and has all typical associated utilities and services. It has good linkages to I-5 in the north, retail to the north and south, and employment to the west and north, and recreation to the east and south.

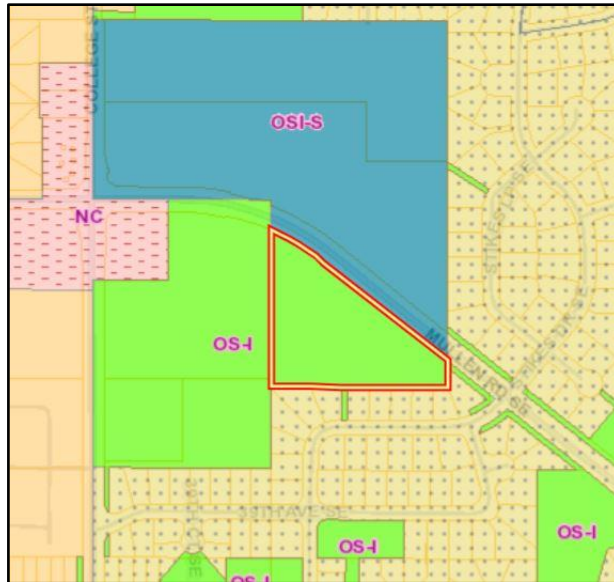
Site Summary

No site plan has been furnished. The exhibit below is a depiction of the site from Thurston County GIS, showing the basic orientation and configuration. The following description is based upon public records and/or a personal inspection of the site.



Zoning:

The subject property is zoned OS-I, Open Space Institutional, under the City of Lacey zoning ordinance. The most relevant aspects of the designation is reprinted or summarized below.



Intent: Protect and preserve certain areas of land devoted to existing and future use for civic, cultural, educational and similar facilities.

Allowed Uses: Parks, greenways and open space for active or passive recreation or enjoyment; Government buildings or offices such as city hall, fire stations, schools and colleges, hospitals, community meeting or recreation halls; Libraries, museums, or similar cultural facilities; Churches; Residential uses as an incidental use to the permitted use; Urban agricultural uses.

Development Standards: Max Height: 80'; Max Bldg Cvr: 35%; Front Setback: 35'; Side Yard: 15'-25'; Rear Yard: 15'-25'.

Conclusion: Development under current zoning is restricted to institutional use. Discussions with Ryan Andrews, a Long Range Planner with the City of Lacey, indicated it is on a list of parcels to be considered for rezoning in 2025. He stated that based on unofficial internal discussions, the department's opinion of the subject's highest and best use was more likely Low Density residential use, allowing up to 6 units per acre given the LD zoning to the south and east. There is a less likely possibility the subject could be zoned Medium Density residential, allowing 8-16 units per acre.

Location:

South side of Mullen Road SE approximately 700' southeast of the intersection with College Street SE in the City Limits of Lacey in Thurston County.

Abutting Subject Property:

Abuts	Description
North:	Mullen Rd, thence Komachin Middle School
South:	Single-Family Residential use
East:	Mullen Rd, thence Single-Family use
West:	House of Worship

Shape: Triangular. The northern and eastern boundaries are created by Mullen Rd, allowing good frontage. The shape may minimally impact full utilization of the land area.

Size: 5.32 acres; 231,727 SF.

Visibility Rating: Average. The subject has approximately 850'+ of frontage on Mullen Rd SE.

Access Rating: Good. The subject is vacant with no built access, but frontage along Mullen would allow multiple points of ingress/egress.

Frontage:

Street/Attribute	Descriptor
Mullen Rd SE	Neighborhood arterial
Direction	East/West
Lanes	Two, divided, with bike lanes
Sidewalks/Lights	Yes
On-Street Parking	No
Traffic Volume	Moderate
Speed Limit	35 mph

Topography: Level. The site has a very slight slope, from 236' in the southwest corner down to 228' at the site's center.

Soils: No soil tests were provided. No settling or other disturbance noted in immediately surrounding area. It is an assumption of the report that the soil qualities are adequate to support the Highest and Best Use of the subject property.

Drainage: The site is vacant. There are storm drains in Mullen Rd in front of the subject.

Utilities:

	Provider
Electricity:	Puget Sound Energy
Gas:	Puget Sound Energy
Sewer:	City of Lacey
Water:	City of Lacey

Site Improvements & Coverage: The subject site is vacant. There is, however, already street improvements in place along Mullen Rd.

Environmental Concerns:

No site environmental assessment information has been furnished.

There was no visual evidence of solid waste materials dumping, soil erosion, overuse of pesticides or other hazardous elements. This statement does not mean that Anderson Appraisal, Inc. warrants the non-existence of any potential environmental concerns, but rather that none were visually evident on the date of inspection. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Flood Zone:

According to FEMA Community Panel No. 53067C0189F, effective 09-02-2016, subject site is part of a larger surrounding area all designated "Flood Zone X: Areas Determined to be Outside the 0.2% Annual Chance Floodplain".

Earthquake Zone:

The International Building Code (IBC) is the newly adopted building code effective in the state of Washington. The IBC uses the Seismic Design Category (SDC), which is a function of ground motion, soil type, and building occupancy, to classify areas of expected ground shaking. Most buildings in Puget Sound region would fall under category D or greater. The categories range from A to F, with A having the lowest structural requirements and F having the highest structural requirements.

A seismic study has not been provided and the appraisers do not possess the expertise in seismic or structural engineering.

Critical Areas:

According to public mapping, there are no wetlands, wetland buffers, hydric soils, stream or shoreline setback the property. The subject is in an area of more preferred gopher soils, but it is an extraordinary assumption of this report that there are no pocket gophers on the site.

Easements:

There are no known detrimental easements.

Covenants, Conditions & Restrictions:

There are no known detrimental covenants, conditions, or restrictions.

Summary and Conclusions:

The subject parcel is located in a residential area that is largely built out, with the most recent infill neighborhoods built in the 2010s. The subject was once part of a larger parcel owned by Thurston County schools. However, when Mullen Rd was constructed, it was separated from the school property. However, the subject parcel and the parcels directly adjacent to the west, retain the Open Space- Institutional zoning. The parcels directly to the west are developed with houses of worship. The City of Lacey indicated that the city would be open to rezoning the parcel, that it is on a list of OS and similarly zoned parcels to be evaluated for upzoning in 2025. It is most likely that the parcel could be rezoned LD, Low Density single family residential, giving it the same zoning as parcels to the south and east. The parcel has approximately 850' of frontage along Mullen Road, which already has all typical utilities installed and street frontage in place. The frontage is enough to allow two points of ingress/egress for the creation of residential access streets. All these things make the parcel a good candidate for rezoning to LD, single-family residential use, which could allow up to 25-30 homesites.

Assessed Valuation and Tax Load

The subject property is currently assessed for real estate taxes as shown below:

Tax Parcel No. (s)	Tax Land Value	Tax Buildings Value	Tax Market Value	Tax Amount
11828320203	\$1,127,500	\$0	\$1,127,500	\$12.00
Totals	\$1,127,500	\$0	\$1,127,500	\$12.00

The subject property has a tax exemption due to its current ownership and the exemption indicates that the assessed value may not represent market value. The assessed value has fluctuated significantly over the last ten years ranging from \$206,600 to \$1,465,200. The current total assessed value is significantly higher than the conclusion reached in this appraisal and may put it at risk of a greater tax load in the event that it is not tax exempt.

Market Study

"An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area."⁸

Product Definition

There are a number of characteristics that determine the marketability of any property. The characteristics generally fall under the broad categories of legal, physical (site and improvements) and locational. To understand how the market perceives the subject, it is necessary to compare it to similar properties in its market area. The following table rates the subject's primary characteristics in comparison to similar competitive properties.

Subject - Property Rating							
Impact on Productivity	Inferior			Market Standard	Superior		
	High	Moderate	Slight	Neutral	Slight	Moderate	High
Legal Characteristics							
Zoning			X				
Site Characteristics							
Accessibility				X			
Visibility					X		
Site Improvements/Parking				X			
Utilities					X		
Topography/Shape				X			
Critical Areas				X			
Locational Characteristics							
Linkages				X			
Proximity to Goods & Services				X			
Proximity to Employment Drivers				X			
Quality of the Neighborhood				X			

Conclusion

The subject is currently zoned for Open Space, which would not allow development. However, according to the City of Lacey Planning Department, it is a reasonable possibility that the subject could be rezoned low density, allowing up to 6 units per acre. Also possible, but less likely, is medium density zoning, allowing 8-16 units per acre. Unofficial, precursory discussions in the long range planning department give more likelihood to low density zoning, given the adjacent development to the south and east. However, a buyer would have to incur the cost of rezoning or wait for the city to do so.

There are preferred gopher soils in the area; however, it is an extraordinary assumption of this report that there are no gophers present on the subject property. It is not impacted by any other

⁸The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, Page 140.

Therefore, it is likely the subject would have above average competitiveness as a single-family or possibly multifamily development site, depending on how the city ultimately allowed it to be rezoned. The subject is not yet zoned for low density residential but discussions with the City of Lacey Long Range Planning Department indicated that the rezoned was likely to occur in 2025.

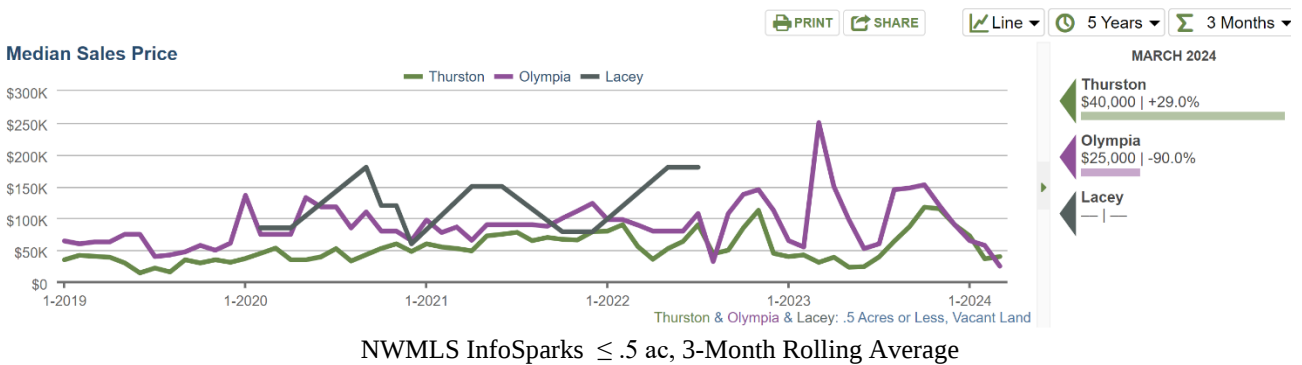
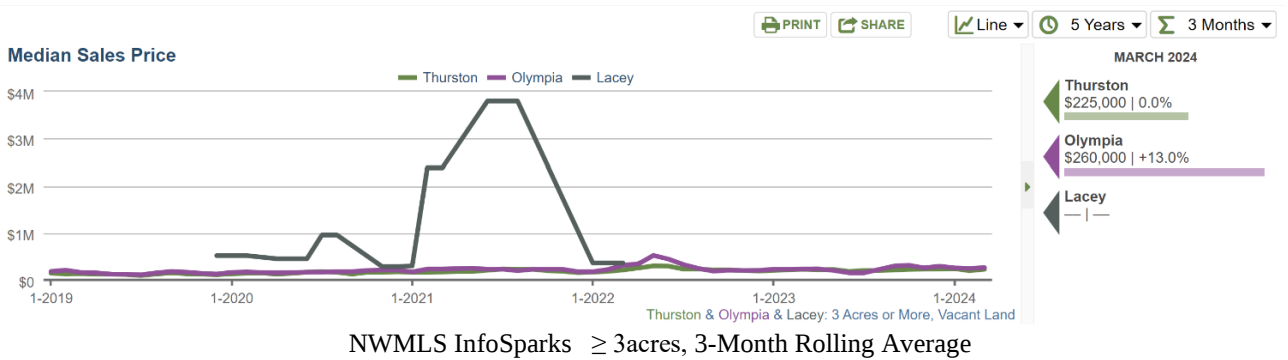
The market delineation in this marketability study includes determination of the market area, and the most likely buyer and user of the property.

The market area can be considered the geographic area that contains the subject and all of its competition. The market area is the Olympia-Lacey-Tumwater area and to a lesser extent the rest of Thurston County.

The subject's Highest and Best Use is considered low density residential development. The most likely buyer for the subject is a developer that is willing and able to take on the risk of the entitlement process to build either single family lots or, less likely, multifamily units.

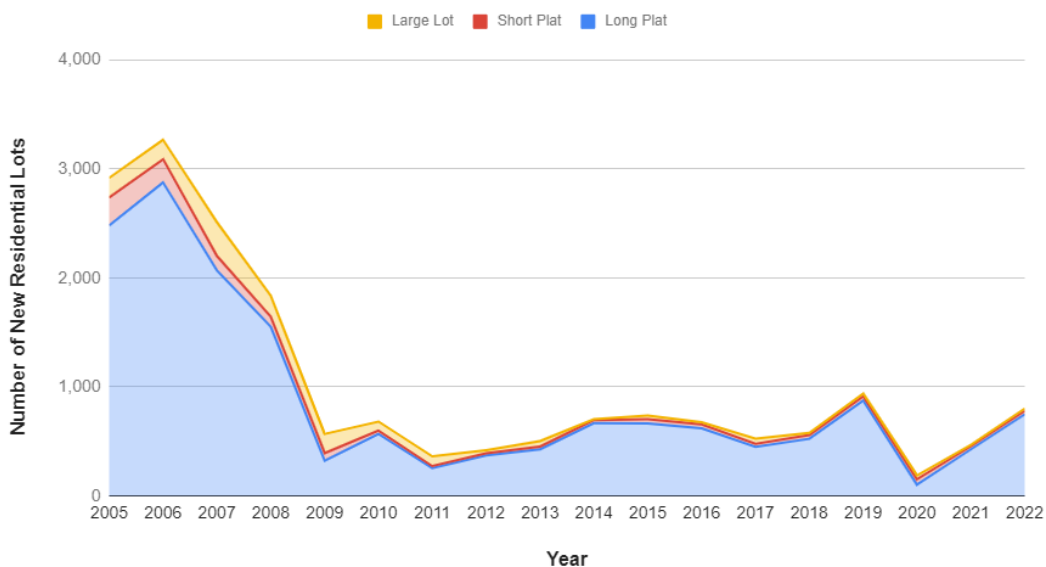
An analysis of county population growth and county residential permit applications from 2015-2019, reported by the Olympian, indicates that, even in the height of building, the population was growing at twice the pace of the housing supply⁹. With the shortage in housing supply and the pandemic allowing many more people to work from home, many people who could not find an existing home turned to building one. As a result of this trend, the median price for land increased over 2021. According to the University of Washington Housing Report, sales of existing homes fell almost 32% year-over-year in the fourth quarter of 2023 in Thurston County. Building permits were down approximately 53%.

⁹ The Olympian, Thurston County's housing crisis by the numbers, December 4, 2020



The following chart displays lots created through subdivisions in Thurston County over the past 17 years. The largest activity occurred during the previous peak of the market in 2006. There was a small number created at the beginning of the pandemic with a return to typical activity in 2022. There may be some pent-up demand from 2020 that may not be satisfied as of 2022.

Lots Created Through Subdivisions

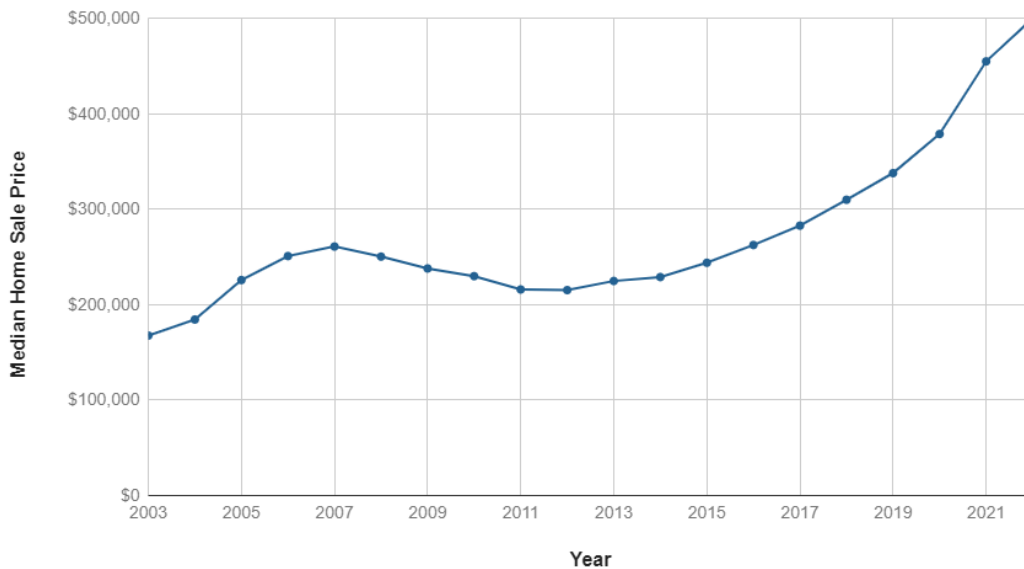


Thurston Regional Planning Council

According to a housing supply shortage study conducted by the Building and Industry Association of Washington, Washington State has an estimated 250,000 housing unit shortage. Thurston County's portion of the shortage is approximately 9,500 units. The housing shortage has contributed to the increasing price of housing. As can be seen in the chart below, prices have doubled since the prior peak in 2007. Leaving nearly 80% of Washington households unable to

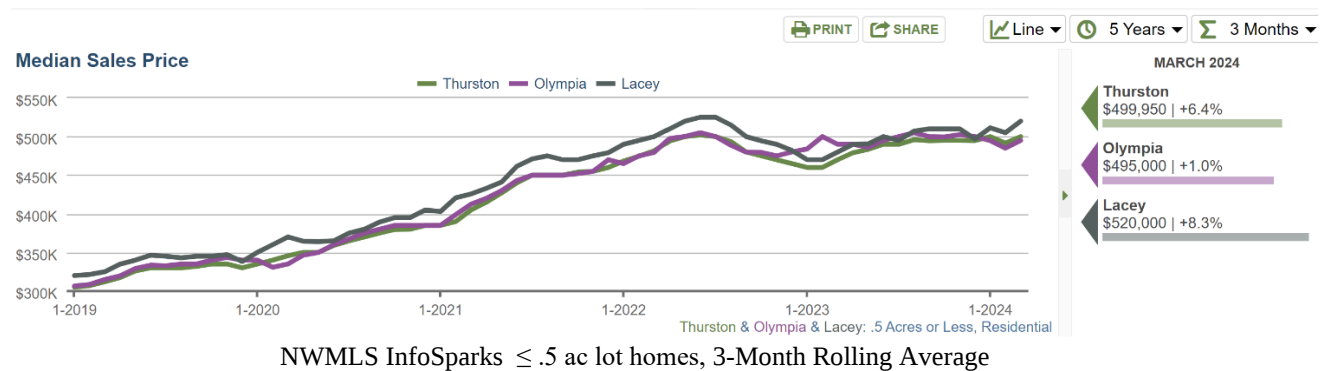
afford to purchase a median priced home according to an article featuring Greg Lane, BIAW Executive Vice President.

Median Home Sale Price

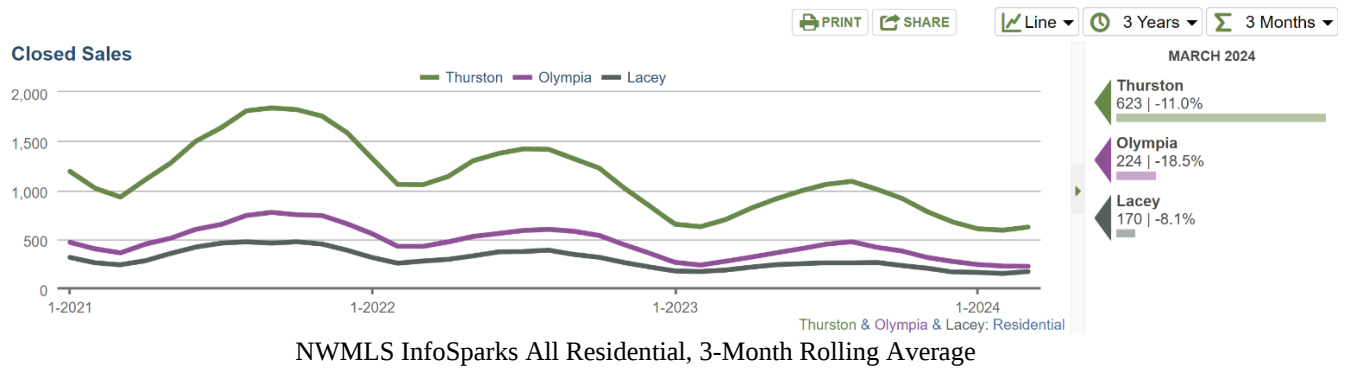


Thurston County Regional Planning Council

Residential sale prices drive subdivision and development of vacant land in the market. The strong median sale prices for single-family residences on half an acre or less for the City of Olympia is over \$500,000 and generally trending upward. Based on analysis of sales from the NWMLS of existing homes in the last 6 months, the subject neighborhood has a median home sale price slightly below the median for all of Lacey but the median age of improvements is more than double the median for the entire Lacey market.



The period of decreasing sale prices coincides with increasing interest rates on 30-Year Fixed Rate Mortgages going from 3% at the beginning of 2022 to around 7% toward the end of that year. Interest rates are currently above 7%. This may also be contributing to the low volume of sales as homeowners are less motivated to sell a home with a low interest rate loan. Closed sale volumes are displayed in the table below.



Demand Analysis

Population Growth

The following table summarizes population growth in the subject's Market Area (2-mile Radius), Thurston County, and Washington State:

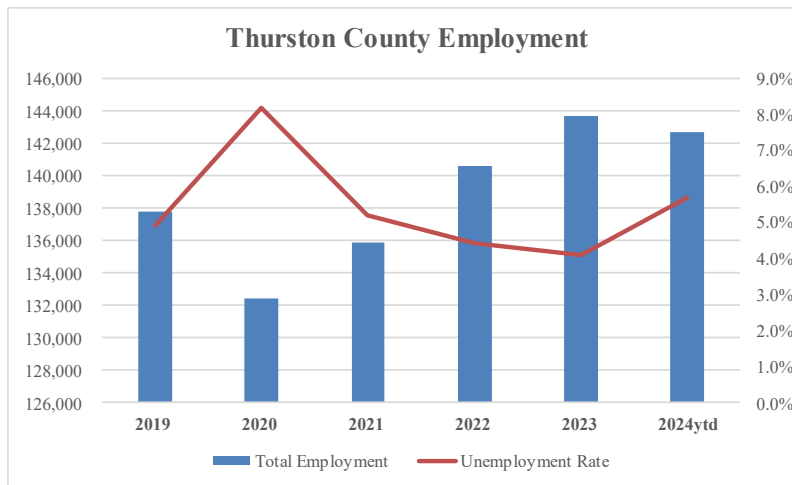
Current and Projected Population			
	<u>2023</u>	<u>2028</u>	<i>Annual Growth Rate</i> <u>2023-2028</u>
2 Mile Radius	46,978	48,397	0.60%
Thurston County	303,400	325,903	1.48%
Washington State	7,951,150	8,343,906	0.99%

Sources: CoStar, WA State Office of Financial Management

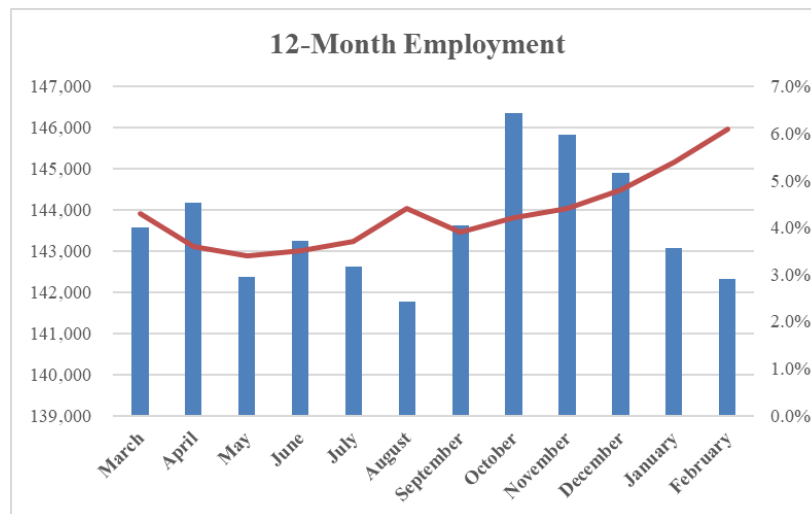
The population in the two-mile radius is projected to grow at a slower rate than Thurston County and near the same rate as Washington State. Utilizing a 2.51 persons per household (US Census Bureau) this indicates an estimated increase in demand for housing in the 3-mile radius by nearly 565 units over the next five years, or 113 units per year. However, the higher median sale price and lack of vacant land sales in the Lacey market indicates there is some chance that Lacey could capture a higher rate of potential buyers than some competing markets.

Employment

Historical employment in Thurston County is summarized in the following table:



Source: Washington State Employment Security Dept.



Source: Washington State Employment Security Dept.

Over the last five years, the unemployment rate has been fairly stable, with the exception of a brief spike associated with the Covid 19 pandemic. However, detailed analysis of the previous twelve months indicates some weakness in employment. Of greater concern than the increase in the unemployment rate is the reversal of total employment growth trends seen from mid-2020 until 2023, when total employment began to fluctuate. There has been consistent negative growth in monthly employment since the fourth quarter of 2023.

Household Income

The following table summarizes median household income growth in Thurston County and Washington State.

Current and Projected Median Household Income			
	<u>2021 Est.</u>	<u>2022 Proj.</u>	<u>Annual Growth Rate</u> <u>2021-2022</u>
Thurston County	\$81,544	\$83,358	2.22%
Washington State	\$84,155	\$86,343	2.60%

Source: WA State Office of Financial Management

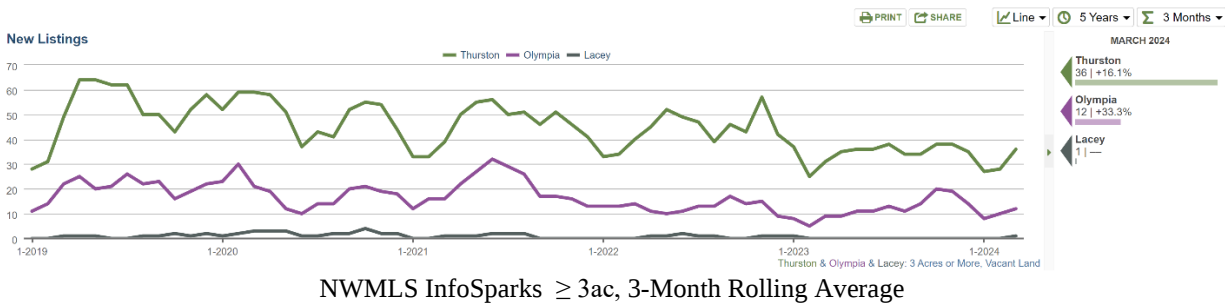
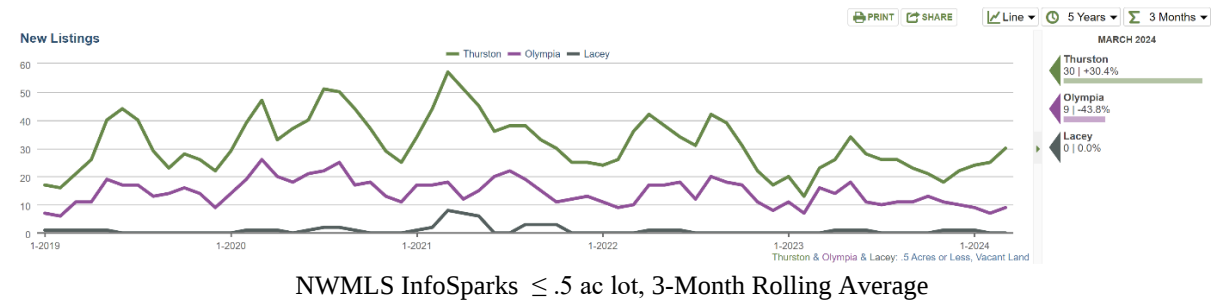
As can be seen in the table above, household income in Thurston County has been increasing at a rate close to Washington State. The three-mile radius income for 2023 is estimated at **\$72,025** (CoStar, 2-mi), which is below both Thurston County and Washington State.

Supply Analysis

Supply in this market analysis is interpreted from estimates of existing competing properties plus planned and potential construction of competing properties. Single family residential supply directly impacts the demand for large development properties such as the subject.

Existing Supply

New listings of vacant land .5 acres or less has fluctuated over the last five years but has been trending downward over the last 18 months. However, Lacey has not had more than one new listing at any given time over the last 24+ months. Land over 3 acres has followed similar trends. However, there has not been a new listing of vacant land in this size range in approximately one year.



A more specific breakdown of land sales in Lacey over the last five years is shown below. The low transaction volume limits the value of the data, but some general patterns do emerge. Sale prices, on a per square foot basis, had been increasing until 2023. There have yet to be any closed sales in 2024 to know if the market is adjusting to higher construction costs, interest rates, and inflation or if the market will continue to price in these higher costs by paying less for raw land. Two of the three current listings, if they sell close to the list price will prove the market has adjusted to higher cost expectations. However, the two listings that have list prices well above previous years' sales have been on the market almost six months.

The third listing is priced at \$0.84/SF. This listing is approximately one mile east of the subject. It is currently zoned for Open Space, Nature, and Cemetery, similar to the subject. It is

marketed as being on the city of Lacey's agenda to potentially rezone in 2025. It is surrounded by schools, open space amenities, a cemetery, and single-family housing. The sale is much larger than the subject and is heavily impacted by slope, wetlands, and does not have the same frontage as the subject. One of the other listings is zoned for medium density and surrounded by medium density development and open space zoning. It has significant frontage like the subject, but is across the street from industrial zoning.

Year	# Sales	Median Size	Median Price	Median \$/SF	Median DOM
2019	9	1.81	\$180,000	\$2.47	33
2020	13	2.33	\$195,000	\$2.87	12
2021	9	1.22	\$190,000	\$4.69	99
2022	3	1.99	\$360,000	\$6.35	78
2023	4	1.07	\$295,000	\$5.21	22
Listings	3	2.28	\$700,000	\$7.48	159

The following table displays the volume and sale price of residences on a quarter acre lot or smaller over the past few years for the City of Lacey.

Single Family Residential Sales 0.25 Acres or Less				
Year	# Sales	Median Price	Days on Market	
2019	851	\$345,000	8	
2020	859	\$395,500	5	
2021	878	\$480,000	5	
2022	746	\$530,000	6	
2023	529	\$515,900	9	
2024 ytd	121	\$550,000	11	
Active Listings	48	\$612,990	13	

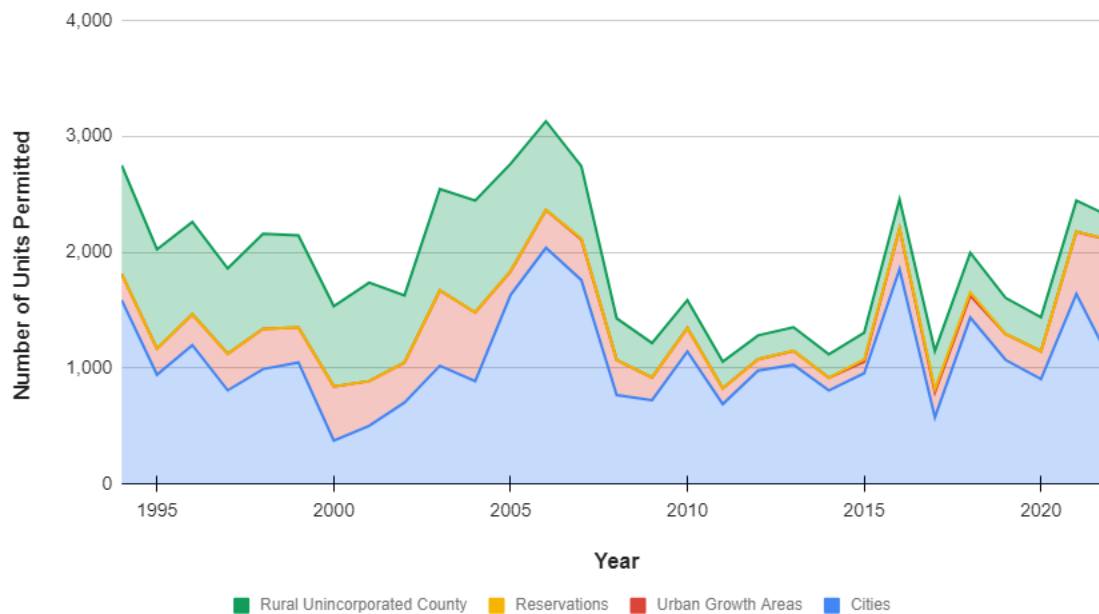
NWMLS City of Olympia

Sale prices have been increasing, except for a slight dip in 2023. This may be due to an increase in interest rates which may be somewhat offset by low supply. That is supported by the significant increase in median sale price in 2024 over both 2023 and 2022 prices. Sales volumes were increasing pre-pandemic through early post-pandemic. However, sales volume began decreasing at a double-digit pace in 2022, the same year the Federal Reserve began to increase interest rates. The active listings indicate approximately 4 weeks of supply based on 2023 demand.

Construction

An indicator of future supply is the number of residential building permits that have been issued.

Residential Units Permitted by Location



Thurston Regional Planning Council

There were 2,300 new homes permitted in 2022, which is down 145 from the previous year. Of the new homes permitted, 91% were in a city or an urban growth area and 74% of all homes permitted were for multifamily units.

There were 639 single-family and multifamily units permitted in Lacey in 2022, only 5.6% of those were single-family homes. There were only 127 single-family and multifamily units permitted in 2023, but 82.6% of those were single-family units. There have been 29 single-family homes and 53 multifamily units permitted in Lacey city limits so far this year.

Interaction of Supply & Demand

The supply and demand factors in the subject's market indicate that the market is currently undersupplied for residential units. For vacant land in the Lacey market, falling transaction volume but rising prices until 2023 and at least a three- or four-month supply based on demand prior to the Federal Reserve increasing interest rates indicate the market is in balance for the short term. Given the increasing median sale prices of homes in the Lacey market, should the Federal Reserve cut interest rates, demand for residential land could increase in the medium term.

Going forward, economists predict historically high inflation and high interest rates to last into 2025. This may keep capital markets constrained into 2025, in turn constraining the real estate industry, especially higher risk land sales.

Conclusions

In the near term, the residential market is approaching equilibrium. While there is still a housing shortage, many buyers have been priced out of the build-to-suit market by high construction costs and high interest rates, as well as land prices that have remained high even as interest rates have increased. Median sale prices have dipped slightly in 2023 but prices for existing homes appear to have recovered in 2024, appreciating above 2022 levels. The median sale

price in the subject neighborhood is only \$10,000, or 2%, less than the median for all of Lacey while the median age is more than double. This likely shows the neighborhood is in good condition and well regarded by the market.

Extremely limited inventory of existing homes and rising prices imply there is still pent-up demand for single-family homes. There are parcels currently on the market, one in the subject neighborhood and one at the very northern edge of it that represent competition for the subject. However, the subject parcel has better positioning in the market: size, road frontage, fewer challenges to development, and surrounding uses make the subject more competitive than current inventory for development of single-family homes, and possibly medium density multifamily.

However, recent inflation reports have put expected interest rate cuts on hold. Falling employment in Thurston County over the last several months will also dampen demand for residential property, both existing homes and residential land. The timing of interest rate cuts will depend on inflation and labor reports in the second and third quarters of 2024. Local demand will depend both on inflation and interest rates and local employment. If inflation and interest rates remain high and local employment remains soft, demand may be below average in the short term. However, the housing shortage and limited residential construction will likely keep supply constrained in the short and possibly into the medium term.

Highest and Best Use Analysis

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value."¹⁰

Summarizing the above:

- The use must be *legal*.
- The use must be *physically possible*.
- The use must be *financially feasible*.
- The use must be *maximally productive* (highest net return to the land).

The definition above applies specifically to the highest and best use of the land. It should be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use.

Application of the Highest and Best Use Criteria:

As Vacant

Legal Considerations:

The site is zoned OS-I, Open Space Institutional. This zone allows development such as schools and houses of worship. The zone is most prohibitive of commercial and residential development. It should be noted that nearby Open Space-zoned parcels are on the Lacey Planning Commission agenda to rezone as part of the Comprehensive Plan in 2025. Discussions with Lacey City Planning indicate it is likely the subject parcel could be rezoned for residential use, most likely Low Density, allowing up to 6 units per acre.

Physical & Locational Considerations:

Physical characteristics of a property that may impact the development of a site include the site's physical location, size, shape, topography, and/or location within a floodway or floodplain.

Size: 5.32 acres or 231,727 SF.

Shape: Irregular. The subject's irregular shape is largely due to Mullen Rd, allowing the subject significant frontage and good visibility.

¹⁰The Dictionary of Real Estate, Sixth Edition, Page 109.

Topography: General level. There is only slight slope from the southwest to the center of the parcel.

Hazards: It is an extraordinary assumption of this report that there are no gophers on the subject site. The site is not impacted by any other critical areas or hazards.

Utilities: All typical utilities are available in the street.

Location: The location provides for good access and ingress/egress for residential streets. It allows access to all utilities. It provides good access to goods, services, and amenities.

Overall, the physical characteristics of the subject site are conducive to most uses allowed by the current zoning and the most likely zone upon a rezone.

Financial Feasibility:

The financial feasibility test is a test of the ability of a potential property use to generate enough income to support the use. The following information are market indicators of the most financially feasible uses:

- Population growth in the neighborhood is slower than some competing neighborhoods, Thurston County, and the State.
- Employment is showing signs of weakness over the last six months.
- Neighborhood median income is significantly lower than the county median and lower than some competing neighborhoods.
- There is limited vacant land on the market in the subject neighborhood.
- Home sale transaction volume has been stronger in the subject market area than in immediately surrounding MLS market areas.
- Residential construction has not kept pace with population growth, leading to a housing shortage.
- The subject parcel has few challenges to development of single-family lots and has utilities and street improvements already in place.

Maximally Productive:

The current zone is effectively a non-economic zone meant for civic, cultural, and educational uses. A rezone is already being considered and appears likely. Thus, a rezone and residential development emerges as the dominant use based on the legal, physical, and financially feasible tests.

Valuation Methods

Cost Approach

The Cost Approach is based on the understanding that market participants typically relate value to cost. In the Cost Approach, the value of a property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e. deterioration and obsolescence) in the structures from all causes. Entrepreneurial profit and/or incentive may be included in the value indication.

Sales Comparison Approach

In the Sales Comparison Approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are currently under contract to be sold.¹¹ The Sales Comparison Approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property's market.

Income Approach

The Income Approach is based on the concept that an investor who purchases income-producing real estate is essentially trading present dollars for the expectation of receiving future dollars. The income capitalization approach consists of methods, techniques, and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and to convert these benefits into an indication of present value.

Conclusion:

The Cost Approach is not utilized in this assignment. The Cost Approach is not applicable because the subject is unimproved land.

The Sales Comparison Approach is utilized in this assignment because it is considered a meaningful indicator of value for the subject property. The quality and quantity of the data available to complete the Sales Comparison Approach was adequate to arrive at a credible opinion of value.

The Income Approach has not been completed. Undeveloped and unentitled land such as the subject is not generally purchased for its income generating potential..

¹¹ The Appraisal of Real Estate, Fifteenth Edition, (Appraisal Institute, Chicago, Illinois, 2020), page 351.

Land (or Site) Analysis

The direct sales comparison approach is usually the preferred methodology for developing a land value conclusion. When sales of similar parcels of land are not plentiful enough for the application of sales comparison, alternative methods such as the following, may be used.

- Allocation.
- Extraction.
- Subdivision development analysis.
- Land residual technique.
- Ground rent capitalization.

In this appraisal assignment, the sales comparison approach is the primary method which has been utilized. The most recent comparable land sales are shown in the following summary table. Each sale is then individually described; and is also presented in greater detail in the Comparable Market Data section of the report, including photographs, legal references, and other information.

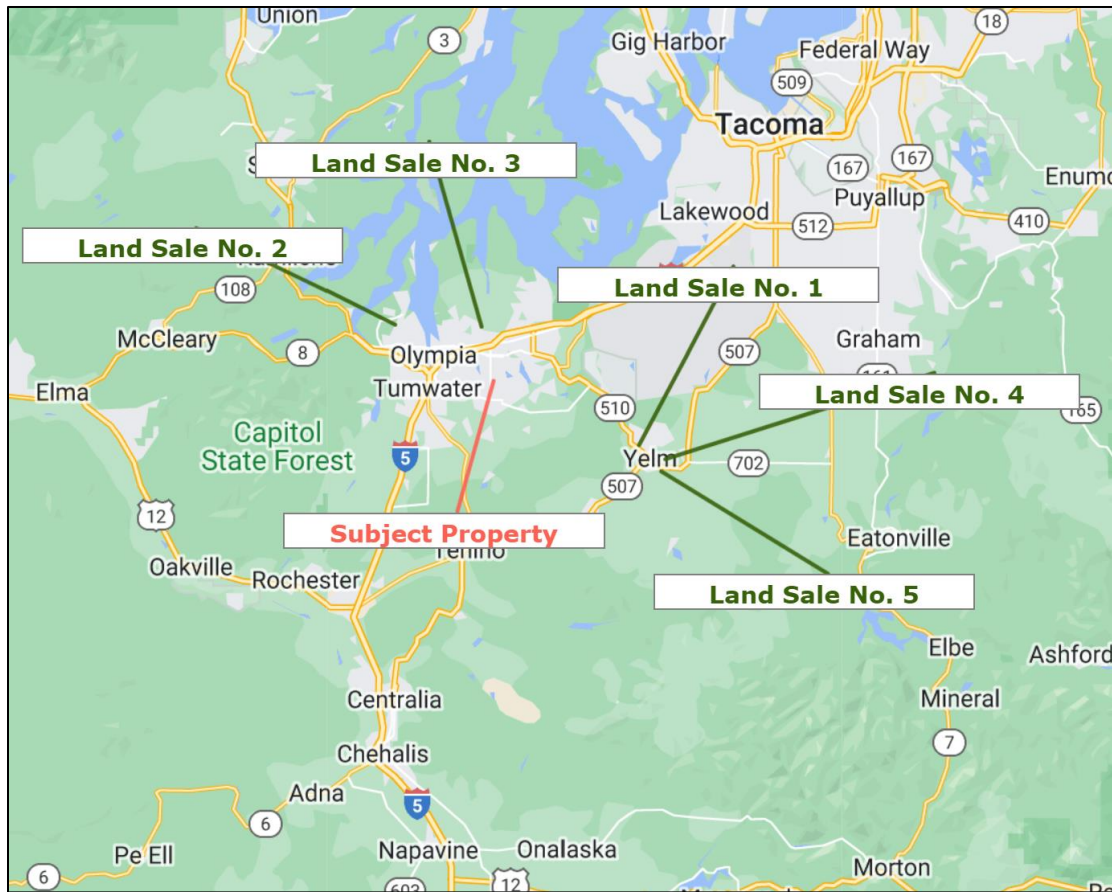
Comparable Sale Search & Selection

The search for comparable sales focused on vacant land capable of residential subdivision within Thurston County. More specifically, sales were selected with similar low density residential zoning. Due to the lack of directly comparable recent data, the search was expanded to include sales that occurred up to three and a half years prior to the date of value and with varying levels of entitlements.

Unit of Comparison

The unit of comparison utilized herein is the price per square foot. Most buyers, sellers, and other market participants in this market generally refer to similar subdivision land properties on a price per square foot or price per unit basis; however, in this case the price per unit is less reliable due to the wide range of units the subject could potentially support and the uncertain amount of units on some of the comparable sales.

A map showing the location of the pertinent sales, is shown below. Confirmation of each sale has been obtained from buyer, seller, broker, or other parties believed to be knowledgeable about the details of the transaction, whenever possible. When direct verification was not possible, we have relied upon public records or similar data sources.



Land Sales						
	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Name	Mullen Rd Land	The Hutch Future Subdivision	Cooper's Knoll	Sleater Landing	Proposed Grove Rd Subdivision	Morris Rd Land
Address	XXXX Mullen Rd SE	9306 Mountain View Rd SE	XXX Cooper Crest Drive NW	2235 Sleater Kinney Rd NE	10143 Grove Rd SE	XXX Morris Rd SE
City	Olympia	Yelm	Olympia	Olympia	Yelm	Yelm
Sale Price	N/A	\$2,100,000	\$200,000	\$600,000	\$750,000	\$275,000
Date of Sale	N/A	10/8/2020	1/6/2022	5/4/2022	12/11/2022	12/11/2023
Adjusted Sale Price	N/A	\$2,100,000	\$200,000	\$1,500,000	\$750,000	\$275,000
Land Sq Ft	231,727	830,254	225,205	614,632	218,275	217,800
\$ / SF of Land	N/A	\$2.63	\$0.89	\$2.44	\$3.44	\$1.26
Land Acres	5.32	19.06	5.17	14.11	5.01	5.00
\$ / Acre	N/A	\$114,376	\$38,685	\$106,308	\$149,674	\$55,000

Adjustments must be made for the following ten elements of comparison, which are listed below:

- Real property rights conveyed
- Financing terms
- Conditions of sale
- Expenditures made immediately after purchase
- Market conditions
- Location
- Physical characteristics
- Economic characteristics
- Use/zoning
- Non-realty components of value

The adjustment process includes the consideration of both quantitative and qualitative factors. Quantitative adjustments involve making numerical adjustments to the sales prices of the comparable sales. Qualitative adjustments account for differences between comparable sales that are not quantified.

Due to the limited amount of data available to establish well supported quantitative adjustments, it is necessary to utilize qualitative adjustments for the elements of comparison.

Real Property Rights Conveyed

The subject's fee simple rights are being appraised. All of the comparable sales were transactions of fee simple properties rights; thus, no adjustment is necessary for real property rights conveyed.

Financing terms

All of the comparable transactions sold based on payment equivalent to cash or financing that was neither superior nor inferior to that which is obtainable in the market; thus, no adjustment for financing is necessary.

Conditions of sale

Conditions of sale is an element of comparison that considers the motivation of the buyer and seller. Sale 2 exhibited seller motivation due to a death of an owner. None of the other sales had buyers or sellers that were noted to be unduly motivated, thus, no additional adjustments are necessary.

Expenditures made immediately after purchase

A buyer that anticipates having to make an expenditure immediately after purchase will consider this expenditure when agreeing on a price to pay. Some of the sales may have required quantitative adjustments for expenditures made immediately after purchase such as for demolition. Those adjustments are included in the analyzed prices shown in the table above.

Market conditions

The comparables sold over a period from October 2020 to December 2023. Market conditions for vacant land similar to the subject increased significantly from 2019. According to the market study, prices began leveling off for vacant land mid 2022 and appear to have remained stable since that time. Thus, Sale 1 requires an upward adjustment for market conditions. Sales 2 through 5 are considered contemporary with no adjustments needed.

Location

There is minor locational differences between the sales and the subject. The sales are in residential areas with proximity to schools, goods, services, and highway linkages.

Physical characteristics

There are a number of physical characteristics that can affect the value of the comparable sales. The primary characteristics analyzed herein are size, topography, critical areas, site work and infrastructure, utilities, and street frontage requirements.

Economic characteristics

Economic characteristics include attributes of a property that directly affect its income. Sale 4 had a leased residence, barn, and pasture that served as an interim use until the entitlement process is complete and the Buyer is ready to build. The economic characteristics of the other sales are the same as the subject and require no adjustment.

Use/zoning

There are minor differences between the zonings of some of the sales and the subject. The zoning of the comparable sales and the subject range from 3 to 6 units or 4 to 8 units per acre. The subject is not yet zoned for low density residential but discussions with the City of Lacey Long Range Planning Department indicated that the rezoned was likely to occur in 2025. Therefore, no adjustment is made for comparables with low density residential zoning. This element of comparison also considers any entitlements or other planning/feasibility work completed.

Non-realty components of value

Non-realty components include personal property, business value, goodwill, and other items that are not considered part of the real property. The comparable sales were reflective of the real property only. Thus, no adjustment for non-realty components of value is necessary.

Sale 1 (\$2.63/SF): is the October 2020 sale of two parcels totaling 19.06-acres located in the northern end of Yelm, approximately 13 miles southeast of the subject. The Yelm market has experienced stronger growth over the last several years than the Lacey or Olympia markets and stronger than the greater Thurston County market. In the past few years, the city approved 5,000 new sewer/water connections and has annexed portions of the UGA into the city to facilitate utility connection and construction activity. Of the 633 homes that have sold in the last 12 months in the Yelm market, 151 of them were built in the last three years. Income and median home price in the market is similar to the subject neighborhood.

The topography is level to mildly sloping. Access is direct off Mountain View Rd SE and Killion Rd SE. Adjacent to the east is a subdivision. City water was not available to the site at time of sale but was expected in 2021 and has since been extended. This did extend the contingency period and lead to a price reduction. The site would need over 600' of road improvements along Mountain View Rd. Site coverage is treed and brush. Zoning allowed up to 6 units per acre and there was an expired approval for a 118-lot subdivision.

Element	Rating	Comment
Market Cond.	Slightly Inferior	Sold almost 4 yrs prior to date of value, but prior to inflation and interest rate increases and as demand for residential land was taking off
Location	Slightly Superior	Sale market has experienced over 2x the growth of subject neighborhood, only slightly higher income and similar median home prices
Size	Inferior	Over 3x the size of subject, which tends to decrease the \$/SF
Topography	Similar	Sale was level to mildly sloping, like subject
Critical Areas	Similar	No gopher habitat or critical areas, similar to subject with extraordinary condition
Infrastructure	Similar	No clearing, grading, or drainage.
Street Frontage	Slightly Inferior	Full street frontage on Killion, would need 600' on Mountain View
Utilities	Similar	Utilities expected within a few months of purchase
Physical	Inferior	
Zoning	Slightly Superior	Densities allowed by zoning are similar, sale had expired approvals for 118 lots
Conclusion	Inferior	Sale is slightly inferior due to the large size, older date of sale, and to a lesser extent, the street front requirements outweighing the location in a market that has experienced some of the highest growth in the region and significant development activity.

Sale 2 (\$0.89/SF): is the January 2022 sale of a 5.17-acre parcel located in west Olympia. The topography is level to rolling. Access is at the terminus of Cooper Crest Drive NW. Adjacent to the east is a subdivision. There are minimal critical areas on the southeast corner. Site coverage is treed and brush. Power, sewer, and water are at the property corner. Zoning is low density single-family 2 to 4 units per acre. Several impact studies had been completed with preliminary approval for 9 lots as of the date of sale.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Sale Cond.	Inferior	Seller more than typically motivated.
Market Cond.	Similar	Sale occurred just as market conditions were slowing but before the fed start raising rates.
Location	Similar	Similar distance to goods, services, schools, amenities
Size	Similar	Sale and subject are both apprx 5 acres
Topography	Similar	Level to gently sloping.
Critical Areas	Inferior	Sale is impacted by wetlands and buffers
Infrastructure	Similar	No clearing, grading, or drainage.
Street Frontage	Similar	Sale has located at end of road, subject has road frontage built out already
Utilities	Similar	Power, city sewer and water, in the street.
Physical	Inferior	
Zoning	Slightly Inferior	Sale has lower allowed density
Conclusion	Inferior	The sale is inferior due to the combination of seller motivation, impact from wetlands, and lower allowed density.

Sale 3 (\$2.44/SF) is the May 2022 sale of two parcels totaling 14.11 acres on Sleater Kinney Road NE approximately 4 miles north of the subject. The neighborhood has lower population, largely because it has more undeveloped land, and similar to slightly lower median income, depending on which portion of the neighborhood is polled. It has had higher existing home sales over the last 6 to 12 months and the median sale price of existing homes is higher than the subject neighborhood and has had higher appreciation over the last 12 months. This sale is in the city of Lacey UGA and is zoned for 3 to 6 single family residential units per acre. This property is part of the Sleater Landing subdivision. This development is a total of 45.55 acres and has 212 units indicating a density of 4.65 units per acre. This is a blended density with nearly half the subdivision zoned 3 to 6 units and the other half 6 to 12 units. The density calculation for this parcel is 2.67 units per acre and is zoned for 3 to 6 units. At the time of sale, the buyer had entitlements in process and likely to be approved.

This parcel was mostly level to mildly sloped topography with wetland covering the north third of the parcel adjacent to 26th Avenue NE. Sewer required extension to connect with the existing gravity sewer on Abernethy Street NE via a utility easement along and through 26th Avenue at approximately 1,700 feet. The water is extended from Sleater Kinney Road approximately 500 feet (in front of the neighboring subdivision parcel) and connecting to the existing water main from the subdivision to the south. Street frontage improvements are required on 26th Avenue NE at 400± feet.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold as Fed interest rates began and the land market was flattening
Location	Slightly Superior	North of I-5 in an area of higher investment and development, similar access to goods/services
Size	Inferior	Sale is apprx 3x size of subject, which tends to decrease \$/SF, buildable area 2x ± size of subject
Topography	Similar	Mostly level
Critical Areas	Slightly Inferior	Sale impacted by wetlands
Infrastructure	Similar	Not cleared
Street Frontage	Slightly Inferior	Required 400± feet of street frontage improvements.
Utilities	Inferior	Extension of utilities required
Physical	Inferior	
Zoning	Superior	Sale density allows 3 to 6 units/acre and entitlements were nearly complete as of the date of sale.
Conclusion	Inferior	Sale is inferior due to the combination of physical factors-size, critical area impact, need to extend utilities-outweighing the slightly superior location and nearly complete entitlements.

Sale 4 (\$3.44/SF): is the sale of a 5.01-acre parcel located in Yelm. Yelm market has experienced stronger growth over the last several years than the Lacey or Olympia markets and stronger than the greater Thurston County market. In the past few years, the city approved 5,000 new sewer/water connections and has annexed portions of the UGA into the city to facilitate utility connection and construction activity. Of the 633 homes that have sold in the last 12 months in the Yelm market, 151 of them were built in the last three years. Income and median home price in the market is similar to the subject neighborhood. The sale property is surrounded by established lower density single-family homes, an elementary school and senior center, with two larger residential neighborhoods built in the late 2000s approximately 0.25-0.5 miles north and northwest.

It has approximately 230' of road frontage. The parcel is an irregular, nondetrimental shape. The site was improved with a residence, in fair condition, and a barn at the time of sale. The buyer expected to lease the residence while working through the entitlement process for a 26-lot subdivision. The value contributed by the home was expected to offset some carrying costs during the entitlement process and eventual demolition. A gopher survey did not show any evidence of gophers and there were no other critical areas. Water was available in the street and the property had septic installed at the time of sale but was in the process of being annexed into the Yelm city limits, which, combined with the approval of increased water/sewer connections, would mean sewer would be available in the near future. Sewer was available approximately .25 miles to the north along Grove Rd. Zoning is residential 6 units per acre.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold during a time of similar market conditions
Location	Slightly Superior	Significant investment and development in the area, but farther from major retail and employment nodes
Size	Similar	Sale apprx same size as subject
Topography	Similar	Level to gently sloping
Critical Areas	Similar	No wetlands and no evidence of gophers
Infrastructure	Slightly Superior	Sale is cleared, and has fencing
Street Frontage	Slightly Inferior	Will require apprx 230' of frontage
Utilities	Slightly Inferior	Power, water, septic on-site, sewer not yet extended down Grove Rd
Physical	Slightly Inferior	
Econ Char	Slightly Superior	Sale has residence that could be leased during entitlement process
Zoning	Similar	Sale density is 6 units per ac, like subject
Conclusion	Slightly Superior	The sale is slightly superior due the location in market with significant development activity and the slight contribution of the interim use while the buyer waits for sewer to be extended and works through the entitlement process.

Sale 5 (\$1.26/SF): is the December 2023 sale of a 5.00-acre parcel located in Yelm. The strength of the Yelm market has been detailed above. The sale property was located approximately 0.25 miles south of the Yelm Ave and Bald Hill Rd intersection. The parcel was pending for seven months while the buyer arranged a gopher study, got the parcel annexed into the city limits, and completed feasibility for a 20-lot subdivision. The Buyer is the same buyer as Sale 4 and they stated they assigned the purchase contract to a homebuilder for \$800,000 after completing the entitlement process.

The parcel is rectangular and very mildly slopes from west to east. The parcel was vacant and covered with brush and trees. It was not impacted by critical areas and the gopher survey showed no evidence of gophers. The parcel had 330' of frontage along Morris Rd but would reportedly not require major street frontage improvements. The utilities would require a short extension. Zoning is Residential, R-6, 6 units per acre.

<u>Element</u>	<u>Rating</u>	<u>Comment</u>
Market Cond.	Similar	Sold during a time of similar market conditions
Location	Slightly Superior	Significant investment and development in the area, but farther from major retail and employment nodes
Size	Similar	Sale apprx same size as subject
Topography	Similar	Level to gently sloping
Critical Areas	Slightly Inferior	No wetlands, buyer had to pay for gopher study
Infrastructure	Similar	Sale is brush and trees, like subject
Street Frontage	Similar	Sale does not require major street front improvements; subject already has them
Utilities	Inferior	Utilities require a short extension
Physical	Inferior	
Zoning	Slightly Inferior	Sale density is 6 units per ac, like subject, Buyer went through time/risk/expense to be sure property was annexed before closing, priced in those costs
Conclusion	Inferior	The sale is inferior due to the need to extend utilities to the parcel. The price negotiated for this sale was due, in part, to the time and expense of the feasibility and entitlement process for the buyer.

Additional Market Data

Comparable Sale 2 sold in January 2022 but was marketed for sale again in February 2023 for \$329,000 (\$1.46/SF) then reduced in June to \$298,500 (\$1.32/SF) and ultimately ended up expiring July 2023 with no sale. It was marketed as having site plan and engineering in process for an 8-unit apartment complex.

In June 2023, a Lacey church sold excess land totaling 2.75 acres to a local home builder that owned and was developing neighboring parcels. The parcel sold for \$298,500, \$2.49/SF, according to Thurston County records. The transaction occurred off-market and parties to the sale did not return calls or could not be reached. The land was just north and west of the Buyer's active development and they had already built a road along the southern edge of the parcel. The parcel was impacted by wetlands in the southwest corner. All utilities were available in the street. The parcel had the same LD zoning as is most likely for the subject.

There is a current listing for a 19-acre parcel approximately 1 mile east of the subject. It is excess land for a cemetery. The parcel has Natural, Open Space, and Cemetery zoning but is expected to be rezoned to LD, Low Density Residential, as part of the 2025 Comprehensive Plan rewrite. The parcel is heavily impacted by steep slopes and is impacted by wetlands. Due to the slopes and wetlands, only a small portion of the 19 acres could be developed, but the actual building envelope is currently unknown and would be the buyer's responsibility. The site has very narrow frontage along 37th Ave SE. All typical utilities are available in the street. It is currently listed at \$700,000, or \$0.84/SF, and has been on the market for just over one month.

Conclusion

The goal of the sales comparison approach is to select the most comparable market sales and then adjust for differences that cannot be eliminated within the selection process. Elements of comparison include property rights conveyed, financing terms, conditions of sale (motivation), expenditures made immediately after purchase, market conditions (time), location, physical characteristics (e.g. size, soils, access, shape, frontage, topography), economic characteristics, use (zoning), and non-realty components.

The actual adjustments may be quantitative, where precise dollar or percentage adjustments can be developed from market evidence, or qualitative, where the adjustments may be simply an acknowledgement of a property's superiority or inferiority. In this appraisal, due to the lack of sufficient market evidence with which to support quantitative adjustments, we have utilized a qualitative adjustment process known as "relative comparison analysis", also referred to as "bracketing analysis".

In the following table is a representation of the qualitative adjustment and comparison process, in an effort to estimate a supportable value range for the subject site. It also represents the sequence in which adjustments are made, if necessary, and applicable. Please note that "plus" or "minus" adjustments shown are relative; for example, a physical adjustment may carry more weight than adjustments made to other elements of comparison.

Adjustments*	Land Sale Adjustment Grid											Price/SF
	A	B	C	D	E	F	G	H	I	J	</>	
Sale 1	0	0	0	0	+	-	+++	0	-	0	>	\$2.63
Sale 2	0	0	++	0	0	0	++	0	+	0	>	\$0.89
Sale 3	0	0	0	0	0	-	+++++	0	--	0	>	\$2.44
Sale 4	0	0	0	0	0	-	+	-	0	0	<	\$3.44
Sale 5	0	0	0	0	0	-	+++	0	+	0	>	\$1.26
*A= Rights Conveyed; B = Financing Terms; C = Sale Conditions; D = Expenditures; E = Market Conditions; F = Location; G = Physical Characteristics; H = Economic Factors; I = Use (Zoning); J = Non-Realty Components												
<i>Note: + Symbol means inferior to the subject, or, upward adjustment; - Symbol means superior to the subject, or, downward adjustment; > Symbol means "greater than"; < Symbol means "less than"</i>												

Following the comparison and adjustment process, a refined value range of approximately \$2.63 to \$3.44 per square foot was indicated.

Sale 2 (\$0.89/SF) is significantly inferior to the subject due to the impact from wetlands, the seller motivation, and the lower allowed density. Sale 5 (\$1.26/SF) is inferior to the subject due to the buyer going to the expense of the gopher study and annexing the property; it is the last parcel along Morris Rd annexed into the city limits. The property is being sold due to deaths in the family and there is some seller motivation due to an impending court date. The Seller's Broker stated she has had a lot of interest until potential buyers talk to the city. The one buyer that started feasibility is a builder. He stated to the Broker that, given the easement at 37th and Appollo, the slope, and the wetlands, it is his opinion the property could only support about 15 lots.

Sale 1 (\$2.63/SF), Sale 4 (\$3.44/SF) and Sale 5 (\$1.26/SF) are all in the Yelm market. The Yelm market has experienced higher growth and residential development investment than many other submarkets in Thurston County. Sale 1 is the oldest sale; however, it occurred as demand for residential land was heating up due to work from home mandates, low interest rates, and low inventory of existing homes. The site was already in the annexation process and utilities were expected to be extended to the area within months. The site also had expired approvals for 118 lots, proving feasibility. Sale 4 was also already in the annexation process and had utilities nearby, but they would require extension. Sale 4, however, was already cleared and was improved with a residence, barn and pasture that was leased and the buyer intended to continue leasing until ready to develop.

Sale 3 (\$2.44/SF) is located just north of I-5 in one of the Lacey neighborhoods experiencing strong residential investment. The site was purchased for the purpose of assemblage for subdivision development. As such, the Buyer had initiated the entitlement process prior to closing and made the offer contingent on feasibility. One to four acres were impacted by wetlands and hydric soils. The density for the planned development worked out to around 3 units per acre of total site area.

Overall, a value near the middle of the refined range is estimated for the subject. A value of \$3.00 per square foot is estimated and the initial value indication is summarized below.

Summary, Land Value Conclusion:

(231,727 SF) (\$3.00 Per SF) = \$695,181

Indication of Value by the Sales Comparison Approach [rounded to] \$700,000

Test of Reasonableness

The prior analysis above was based on price per square foot as the unit of comparison. The price per unit was not used due to the uncertain number of units/lots on the subject and some of the comparable sales. However, when the recently expired, planned, or proposed since closing units are used to analyze each of the above sales, a range of \$13,750 to ~\$35,000 per unit is found. Sale 3 comes in at the top of the range, but that is based on an average using the larger development assemblage of 45.55 acres and then applied to the sale acreage. The Buyer for Sale 4, of a similar size to the subject, with a similar buildable area, planned to develop 26 lots. That works out to almost \$29,000 per lot. But, it also had an interim use. Sale 2, utilizing the 8-unit multifamily development that is in permitting, sold for \$25,000 per unit. The subject, when utilizing a 26 lot potential development and a rounded \$700,000 comes out to almost \$27,000 per lot. This falls well into the range and meets the basic test of reasonableness.

Reconciliation of Value Indications

Three independent approaches to value were considered by the appraisers. The resultant value indications were:

Cost Approach	Not Applicable
Sales Comparison Approach	\$700,000
Income Approach	Not Completed

The Sales Comparison Approach provides a meaningful indication of value when:

- The amount of available market data is adequate.
- The relative advantages and deficiencies of the property being appraised and the comparative sale properties are not too extensive and have been correctly weighed.

The Sales Comparison Approach is utilized in this assignment. All of the sales are from the general Olympia/Lacey/Yelm area, most were within 2 years of the date of value, and most had generally similar low density residential zoning to what the subject will likely be rezoned in 2025. There were some locational differences and in some of the physical elements of comparison and the level of entitlement work completed as of the date of value. The data utilized is reliable to determine a credible opinion of value. Overall, the Sales Comparison Approach best reflects the analysis of the most likely buyer and is given all weight in reconciliation.

As a result of our investigations and analyses, it is our opinion that the market value of the identified interest in the subject real property, as of April 23, 2024, was:

Seven Hundred Thousand Dollars

(\$700,000).

Certification

We certify that, to the best of my knowledge and belief,

- The statement 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved. We have not performed any services regarding the subject property within the three years preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report.
- Alison Anderson Snodgrass, License #21018996, provided significant professional assistance to the person(s) signing this report.
- The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.



Derek R. Jolliff, MAI*

*As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser's Qualifications

Derek R. Jolliff, MAI

Experience:

- **Appraiser**, Anderson Appraisal, Inc., Olympia, Washington
- **Appraiser**, Capital Valuation Group, Salem, Oregon 1/06 – 10/10

Over a decade of appraising various property types, including office, retail, industrial, multifamily, institutional, vacant land, easements, subdivisions, special use and agricultural properties.

Education:

Western Washington University, Bellingham, Washington (BA - Business Administration)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Appraisal Institute Courses:

"Basic Appraisal Procedures"

"Basic Income Capitalization"

"Real Estate Finance Statistics and Valuation"

"Report Writing and Valuation Analysis"

"Evaluating Commercial Construction"

"Litigation Appraising: Specialized Topics and Applications"

"Appraising Convenience Stores"

"Fundamentals of Separating Real Property, Personal Property, & Intangible Assets"

"Advanced Sales Comparison and Cost Approach"

"General Appraiser Report Writing and Case Studies"

"General Appraiser Market Analysis and Highest and Best Use"

"General Appraiser Site Valuation and Cost Approach"

"General Appraiser Sales Comparison Approach"

"Advanced Income Capitalization"

"Advanced Applications"

"Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications"

Matthew Larabee:

"Case Studies in Income Property Appraisal"

McKissock Appraisal Education:

"USPAP - Uniform Standards of Professional Appraisal Practice"

"Appraisal of Assisted Living Facilities"

"Appraisal of Self-Storage Facilities"

International Right of Way Association:

"Appraisal of Partial Acquisitions"

"Easement Valuation"

American Society of Farm Managers and Rural Appraisers

"Advanced Rural Case Studies"

"Introduction to the Valuation of Permanent Plantings"

Business and Professional Organizations:

Member, Appraisal Institute (#468211)

Washington State Certified General Real Estate Appraiser (#1101978)

Appraiser's Qualifications

Alison Snodgrass

Experience:

Appraisal Assistant, Anderson Appraisal, Inc., Olympia, Washington
January 2021- Present

Business Manager, ProBuild Construction, Tacoma, Washington
One year of experience estimating and procuring materials for small scale residential and assisted living remodeling projects in western Washington.

Real Estate Analyst, KLNb, Washington D.C.
One year experience in all aspects of valuation: due diligence, lease abstracting, market analysis, and financial modeling, using Argus DCF and Excel.

Real Estate Analyst Intern, The Equity Group, Colorado Springs, Colorado
Training in all aspects of valuation and development: due diligence, site selection, valuation, market analysis, and financial modeling, entitlements.

Education:

Georgetown University, Washington, D.C. (M.S.- Real Estate Development and Finance)
University of Colorado, Colorado Springs, CO- (B.S.- Finance)

Appraisal Education:

Successful completion of the following appraisal courses/seminars:

Georgetown University:

- "Foundations of Real Estate"
- "Foundations of Real Estate Finance"
- "Foundations of Real Estate Markets"
- "Foundations of Real Estate Law"
- "Foundations of Real Estate Accounting"
- "Construction Estimating and Procurement"
- "Lease and Negotiation"
- "Multi-Family and Affordable Housing"
- "Software for Real Estate Finance"
- "Urban Plan"

Argus:

- "Argus DCF"

Appraisal Institute Courses:

- "15-Hour Equivalent USPAP Course 2020-2021"
- "Basic Appraisal Principles"
- "Basic Appraisal Procedures"
- "Supervisory Appraiser/Trainee Appraiser Course"
- "Appraising Automobile Dealerships"

Business and Professional Organizations:

State Registered Real Estate Appraiser Trainee (#21018996)

Statement of Limiting Conditions and Assumptions

- One (or more) of the signatories of this appraisal report is a Member or Candidate of the Appraisal Institute.
- The legal description furnished the appraisers is assumed to be correct. Title to the property appraised in this report is assumed to be merchantable in the parties stated to be the owners. For the purpose of this report, the property is assumed to be free of liens and encumbrances.
- The information contained in this report, other than facts observable by a physical examination of the property, is from sources considered to be reliable, but such information is in no sense guaranteed.
- No responsibility is assumed because of matters of legal character affecting the property, such as title defects, encroachments, liens, and overlapping property lines. The appraisal is based on the premise that, there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.
- In computing values, various figures have been rounded off to the nearest significant amount, for the sake of clarity, in arriving at the valuation. The distribution of the total value between land and improvements applies only under the utilization of the property to its Highest and Best Use.
- Compensation for services is dependent only upon delivery of this report. The values found by the appraiser are in no way contingent upon the compensation to be paid for services.
- The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given third parties without the prior written consent of the signatories of this appraisal report.
- This report is made in accordance with the Uniform Standards of Professional Appraisal Practice, adopted by the Appraisal Standards Board of the Appraisal Foundation.
- Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for the purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to revision upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

- Any drawings and/or diagrams are for illustrative purposes only and are not drawn necessarily to scale and should not be construed as surveys or engineering reports.
- It is called to the reader's attention the fact that this report is delivered subject to the stipulation that neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraisers or review appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation.
- The opinion of value, as set forth in this report, is based solely upon information available at and prior to the date of valuation, and no responsibility is assumed with respect to facts that may develop subsequent to such date and which might have a bearing on the opinion of value at the date noted as expressed herein.
- The appraisers and/or officers of Anderson Appraisal, Inc. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there become known to us facts pertinent to the appraisal process that were unknown to us when the report was finished.
- It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super efficient.
- The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.
- The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
- The appraiser assumes no responsibility for hidden or unapparent conditions of the property, which would render it more or less valuable, and further assumes no responsibility for surveys or engineering which might be required to discover such factors.
- The above conditions include soil composition, drainage characteristics, load bearing capacity, seasonal or permanent water table elevation, seismic susceptibility, hazardous materials contamination (including, but not limited to hydrocarbons, PCB's, asbestos, radon, urea-formaldehyde foam insulation, pesticides, mold/mildew), radioactivity, emissions or disruptions caused from high voltage transmission lines, the location of underground facilities, illegal dumping, leaking underground storage tanks, and so forth.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous

materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on, in or around the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.
- It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.
- Federal Government Regulations: The Federal Government has special requirements for appraisals to be utilized for some types of loans, resulting from Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. This appraisal was not written in accordance with FIRREA guidelines, unless so stated, in the letter of transmittal.
- Additional research, analysis, and report writing may be required because of the variety of standards and interpretations among certain financial institutions, and appraisal reviewers; and will be undertaken upon client request, at additional fees, for time and costs.
- Where the discounted cash flow analysis has been used it has been prepared on the basis of information and assumptions stipulated in this report. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy.
- 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.
- This appraisal was obtained from Anderson Appraisal, Inc. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or in part.
- **APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IT IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER FOR THIS REPORT. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY IS PRIMA FACIE EVIDENCE THAT THE USER UNDERSTANDS AND AGREES TO THESE CONDITIONS.**

Comparable Market Data

Land Sale No. 1



Property Name	The Hutch Future Subdivision	Comp ID No.	1678
Address	9306 Mountain View Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	East of Mountain View Rd SE and west of Killion St SE about 800 feet north of State Route 510 in the City Limits of Yelm.		
Tax ID	21713430200, 21713430300		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Moderate Density Residential		

Physical Characteristics

Land Size	19.06 acres or 830,254 SF		
Number of Lots	2		
Shape	Rectangular	Topography	Level to mildly sloping
Grade	At street grade	Drainage	Adequate
Landscaping	None, vacant land		
Frontage Desc.	Killion Street SE, paved city street with full frontage improvements. Mountain View Rd SE, paved city street, no frontage improvements.		
Utilities	All typical public and private utilities available.		
Access	Paved access point from Killion Road SE		
Visibility	Average		
Site Comments	This is a sale of 19.06± acres of vacant land for development of a single family residential subdivision. At time of sale it was covered in grass and some shrubs. Property had some expired approvals for a 118-lot subdivision. No gopher habitat or any other critical areas. Will need over 600' of road frontage improvements on Mountain View Rd SE. City water rights not available but expected in 2021.		

Recording Information

Sale Date	10-08-2020	Recording No.	4790636
Contract Price	\$2,100,000		
Adjustments \$	\$80,000		
Adjusted Price	\$2,180,000		
Seller	Barbara Hutchinson		
Buyer	Mitchell Development II LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	See Sale Remarks		
Price/SF	\$2.63		
Price/Acre	\$114,376		
Price/Lot	\$1,090,000		

Sale Comments Property was contingent to sell in January 2018 at about \$2,400,000. Contingency period was long waiting for water rights to be awarded to City of Yelm. Approvals expired while waiting and seller lowered price to \$2,100,000 to cover costs of entitlements. Onset of pandemic was not a significant concern for buyer. Sale price is adjusted upward by \$80,000 for cost of LID (buyer expenditure).

Overall Remarks
Confirmed By Seller's Broker Kristie Unkrur 253-222-5936

Comp ID No. 1678

Land Sale No. 2



Coopers Knoll Wetlands and Buffer area

Property Name Cooper's Knoll
Address XXX Cooper Crest Drive NW
City, State Zip Olympia, Washington 98502
County Thurston
Location At the Terminus of Cooper Crest Drive NW in the City of Olympia.
Tax ID 12808110200
Property Type Residential (Single-Family) Land
Zoning Code RLI, Residential 2 to 4 units per acre

Comp ID No. 2679

Physical Characteristics

Land Size 5.17 acres or 225,205 SF
Number of Lots 1
Shape Rectangular
Grade At street grade
Landscaping Minimal
Frontage Desc. Direct on Walnut Road NW, an asphalt paved and striped collector street
Utilities Water, power and sewer all stubbed onto property.
Access Direct on Walnut Road NW
Visibility Average
Site Comments Irregular rectangular shaped parcel with generally level topography. Site coverage is mostly treed with some brush. Density calculations per the preliminary site approval for the low density 2 to 4 units per acre is 1.74 units. Since 2015 the parcel has been rezoned from residential 1 to 5 units to RLI zoning. Studies done prior to sale were wetland, geotech, and traffic impact. Preliminary site approval for 9 lots had been achieved prior to sale.

Topography Level to Hilly
Drainage Adequate

Recording Information

Sale Date 01-06-2022
Contract Price \$200,000
Adjusted Price \$200,000
Seller Branbar LLC
Buyer TJ Holdings LLC
Property Rights Fee Simple Estate
Financing Considered equivalent to cash sale
Market Time 127days on market; list price \$350,000
Price/SF \$.89
Price/Acre \$38,685
Price/Lot \$200,000
Sale Comments A pre submission conference was conducted more than one year after sale for a 2 story 8 unit multifamily development. Seller motivation due to a death of an owner.
Overall Remarks
Confirmed By Ron Conard, LAG, 253.677.9999

Recording No. 4911172

Comp ID No. 2679

Land Sale No. 3



Property Name	Sleater Landing	Comp ID No.	2496
Address	2235 Sleater Kinney Road NE		
City, State Zip	Olympia, Washington 98506		
County	Thurston		
Location	Southwest of the intersection of 26th Avenue NE and Sleater Kinney Road NE in the City of Lacey UGA.		
Tax ID	11808210300, 11808210800		
Property Type	Residential (Single-Family) Land		
Zoning Code	R 3-6, Residential 3 to 6 units per acre		

Physical Characteristics

Land Size	14.11 acres or 614,632 SF		
Number of Lots	1		
Shape	Rectangular	Topography	Level to Hilly
Grade	At street grade	Drainage	Adequate
Landscaping	Minimal		
Frontage Desc.	Direct on Sleater Kinney		
Utilities	Power is in the street, water and sewer require extension		
Access	No built access but possibility of access from Sleater Kinney and 26th		
Visibility	Average		
Site Comments	Generally square shaped site, mostly level topography and approximately 1 acre of wetland as mapped on Thurston County GIS, but around 4 acres are impacted by hydric soils. Site coverage is mostly treed with some brush. There was a single-family residence on the property at time of sale that required demolition. Water is located south of the subject approximately 500 feet and adjacent to the subject via the subdivision to the south. Sewer is located on Abernethy Street NE and requires extension of approximately 1,700 feet. Street frontage improvements are required, measuring approximately 575 feet. Density calculations per the preliminary site approval for the low density 3 to 6 units per acre is 3 units.		

Recording Information

Sale Date	05-04-2022	Recording No.	4929876
Contract Price	\$1,500,000		
Adjusted Price	\$1,500,000		
Seller	Brenda L Curtis, Rodney D Russell, & Linda M Russell		
Buyer	Pacific Northwest Development and Land Company LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	203 on market; list price \$1,500,000		
Price/SF	\$2.44		
Price/Acre	\$106,308		
Price/Lot	\$1,500,000		

Sale Comments The property was purchased by a developer to assemble with surrounding parcels for subdivision development. The property was originally listed May 2019. The buyers made an offer contingent upon feasibility February 2020, status changed to pending July 2020. An application for Sleater Landing subdivision for 212 lots on 45.55 acres was submitted April 2021. The sale closed May 2022. The application for Sleater Landing Subdivision was approved December 2022. Entitlements were in process by the buyer on the date of sale with likely approval.

Overall Remarks

Confirmed By JR Poulsen, LAG, 253.380.5533

Comp ID No. 2496

Land Sale No. 4



Property Name	Proposed Grove Road Subdivision	Comp ID No.	2733
Address	10143 Grove Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	West side of Grove Road SE approximately 500' north of 103rd Ave SE in an area of single family residences and a school in Yelm.		
Tax ID	51540302700		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Residential 6 units per acre		

Physical Characteristics

Land Size	5.01 acres or 218,275 SF		
Number of Lots	1		
Shape	Rectangular	Topography	Level to mildly sloping
Grade	At street grade	Drainage	Adequate
Landscaping	None, vacant land		
Frontage Desc.	Typical rural residential frontage		
Utilities	All typical public and private utilities available.		
Access	Paved drive off Grove Rd		
Visibility	Average		
Site Comments	This is a sale of 5.01± acres improved with a residence and outbuildings for development of a single-family residential subdivision. At time of sale there was a 1,720 SF residence in fair condition constructed in 1967 along with a barn. The rest of the property was an open field with fencing. The parcel was non-detrimental irregular in shape and level. At the time the buyer made an offer, the property was nearing completion of annexation into the Yelm City Limits. There was a gopher survey finding no gopher habitat, nor were there any other critical areas. Will need about 230' of road frontage improvements on Grove Road SE but all utilities were available on the property or in the street.		

Recording Information

Sale Date	12-11-2023	Recording No.	5000559
Contract Price	\$750,000		
Adjusted Price	\$750,000		
Seller	Jolin Brenda		
Buyer	Copper Ridge LLC		
Property Rights	Fee Simple Estate		
Financing	Considered equivalent to cash sale		
Market Time	175 days, original listing price \$750,000		
Price/SF	\$3.44		
Price/Acre	\$149,674		
Price/Lot	\$375,000		

Sale Comments Property was in annexation process when buyer made an offer and by the time it closed it had been completed. Buyer plans to rent the residence for one to two years while proceeding through the entitlement phase for a 26-lot subdivision. Home and improvements will then be demolished. Home is estimated to contribute value to offset eventual demolition.

Overall Remarks 6468-24A, NWMLS 1978569

Confirmed By Seller's Broker Lida Cozzetti 360-789-1562

Comp ID No. 2733

Land Sale No. 5



Property Name	Morris Road SE Site	Comp ID No.	2741
Address	XXX Morris Road SE		
City, State Zip	Yelm, Washington 98597		
County	Thurston		
Location	West of Morris Rd SE approximately 650' south of the intersection with Bald Hill Road SE, in Yelm UGA in an area of low and moderate density single family residential.		
Tax ID	22730410000		
Property Type	Subdivision-Residential Land		
Zoning Code	R-6, Residential, 6 Units per Acre		

Physical Characteristics

Land Size	5.00 acres or 217,800 SF		
Number of Lots	1		
Shape	Rectangular	Topography	Level to Sloping
Landscaping	None.		
Frontage Desc.	No direct frontage on developed road; access via road easement		
Utilities	Electricity available; public water and sewer required a short extension		
Access	Road easement		
Visibility	Average		
Site Comments	The site is rectangular shaped and is level to mildly sloped. At the time of sale it was unimproved and covered in grass, brush and trees (some minimal timber value). No flood zone or wetlands but gopher indicator soils and so required a gopher study. No street frontage improvements and utilities reportedly needed a short extension. At time of sale it was in UGA, not yet annexed.		

Recording Information

Sale Date	12-11-2023	Recording No.	5000015
Contract Price	\$275,000		
Adjusted Price	\$275,000		
Seller	Alexander JR Howard		
Buyer	Copper Ridge LLC		
Property Rights	Fee Simple Estate		
Financing	Conventional		
Market Time	17 days on market, see remarks		
Price/SF	\$1.26		
Price/Acre	\$55,000		
Price/Lot	\$275,000		
Sale Comments	The property was pending sale for seven months while buyer got the gopher study (clear), got the property annexed into the City Limits, and completed other feasibility for a 20-lot residential subdivision. Buyer was local who assigned the purchase contract to a homebuilder after getting through the entitlement process for \$800,000 (stated).		
Confirmed By	Seller's Broker Chrissy DeHan 360-789-4093		

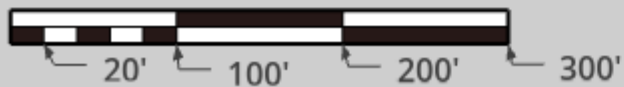
Comp ID No. 2741

Mullen Rd Cottages



-  Cottage Courtyards / Open Space
-  Tree Tract / 20ft PRD Buffer
-  800sf 2-story w/ 5ft Setback
-  800sf 1-story w/ 5ft Setback

Parcel: 11828320203
Site Size: 5.32 acres (231,739sf)
Units: 60 Cottages
Parking Count: 84 Stalls (1.4 ratio)
Tree Tract Size: 0.9ac / 39,829sf (17%)

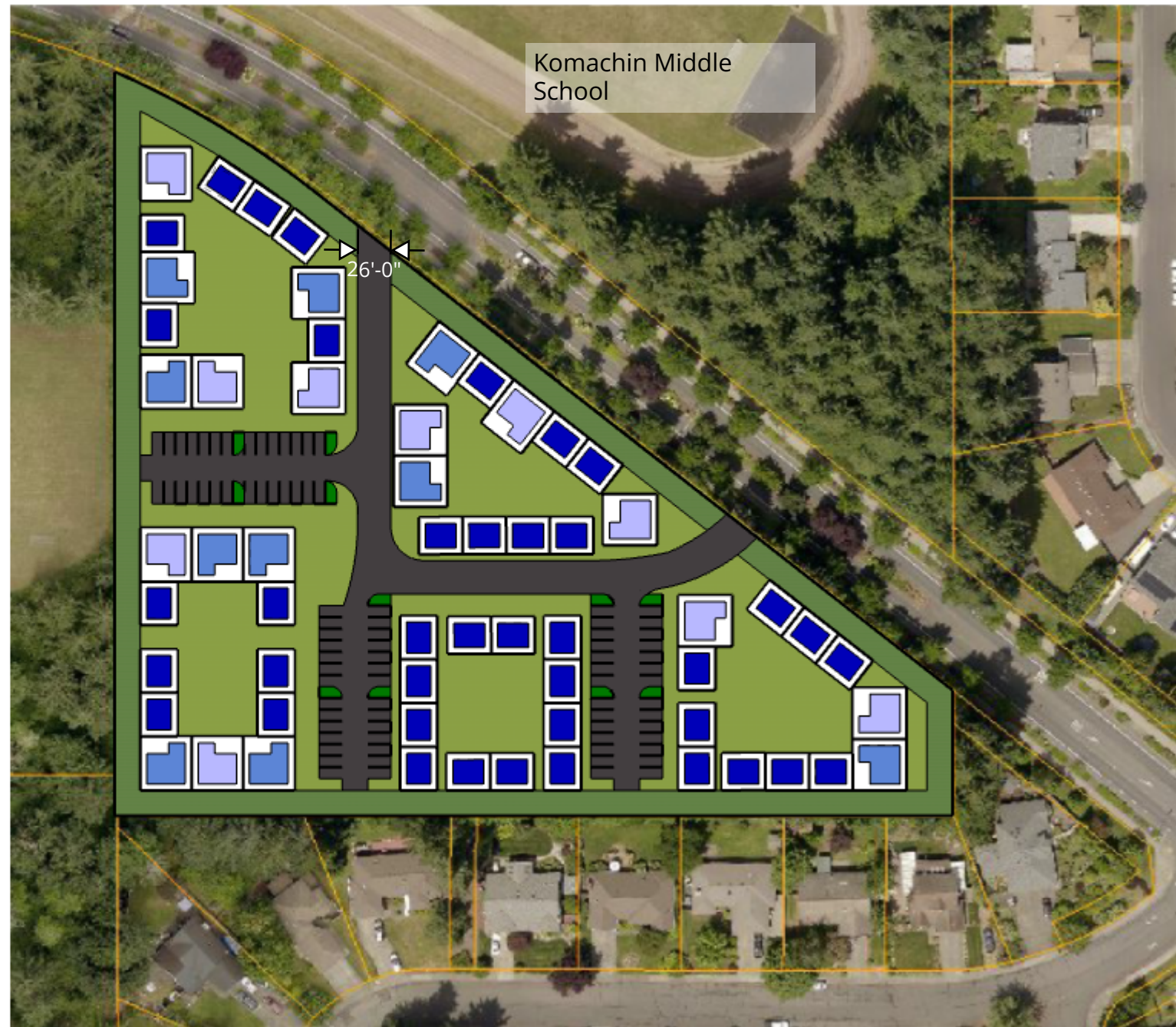
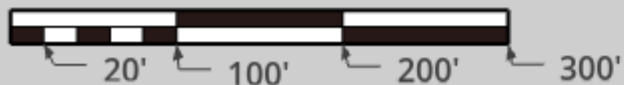


Mullen Rd Cottages



-  Cottage Courtyards / Open Space
-  Tree Tract / 20ft PRD Buffer
-  400sf footprint. 800 gross sf 2-story w/ 5ft Setback
-  800sf 1-story w/ 5ft Setback

Parcel: 11828320203
Site Size: 5.32 acres (231,739sf)
Units: 60 Cottages
Parking Count: 84 Stalls (1.4 ratio)
Tree Tract Size: 0.9ac / 39,829sf (17%)



**CITY OF LACEY
PLANNING DIVISION
PRESUBMISSION CONFERENCE NOTES**



TYPE: Subdivide 5 Acres into 60 cottage housing units.

APPLICANT: City of Lacey and Partners

PROCESS: Preliminary Subdivision (\$2,671+\$48/lot), PRD (\$624), Environmental Checklist (\$485), Tree Report (Actual cost), Design Review (\$123)

SITE ADDRESS: 500 ADAMS ST SE. Parcel 11828320203

ZONING: OSI

PROCESS TIMING EST.: 6-10 weeks

PROCESS

Because of the proposed lot sizes a PRD overlay is required. PRDs (and preliminary subdivisions) are reviewed through the quasi-judicial review process, in accordance with Section 1C.050 of the Development Guidelines and Public Works Standards. A preliminary subdivision requires a public hearing before the Hearings Examiner and a final decision by the City Council. This process takes approximately 6-10 weeks from the date the application is accepted as complete.

Design Review is encouraged to run concurrently with preliminary PRD approval or at the very least critical design elements will need to be turned in as part of a complete application due to the intimate relation between Cottage Housing standards and design standards.

A complete application consists of the following:

1. General Land Use Application
2. Planned Residential Development application
3. Preliminary Subdivision Application, dated and signed
4. Preliminary plat maps including all information requested on the application.
5. Project Narrative describing how it meets City of Lacey code.
6. Design Narrative describing how the project meets cottage housing and open space requirements.
7. Environmental Checklist, dated and signed
8. Tree Report prepared by the City's contract forester
9. Landclearing/Class IV Forest Practices – if triggered
10. Open Space plan, identifying natural areas, active open space areas, trails, play areas etc.
11. Stormwater Site Plan per 2022 Stormwater Design Manual
12. Traffic Generation Worksheet

13. Address of surrounding property owners within 300' radius of the project, submitted on mailing labels – labels to be prepared by Title Company.

NOTE: All applications shall be submitted electronically in pdf format.

**Prior to submitting the application materials a traffic scoping letter will need to be submitted to the Public Works Department for approval. Once approved, the TIA may be developed. This process takes approximately 30 days.*

Environmental review: The environmental review will consist of a review of the environmental checklist submitted for this proposal and is processed simultaneously with Site Plan Review. We typically use the Optional DNS process allowed under state law to combine comment periods of the Notice of Application and the Environmental Review.

APPLICABLE STANDARDS

ENVIRONMENTALLY SENSITIVE AREAS (shorelines, wetlands, flood hazards, steep slopes):

Critical aquifer recharge area.

TREES:

All residential properties over two acres are required to retain (or replant when necessary) tree tracts equaling a minimum of 5% of the gross site area. This project will require tree tract area of at least 0.25 acres or 10,890s.f.

A tree evaluation will need to be conducted by the City's contract forester to identify trees that may be incorporated into the development proposal either in clusters throughout the lots of the subdivision or on an individual location to meet this requirement. The tree tract(s) should be located to preserve the higher quality trees existing on the site. Tree tracts are in addition to any required tree landscaped areas.

Existing trees should be designed into the project when possible. The following provisions apply to the proposed development:

- Trees on site may not be removed at this time.
- The City of Lacey strives to retain trees during development.
- Trees should be incorporated into the project wherever possible.
- If proposed water or sewer lines cannot be located in such a way as to avoid trees or tree roots, the trees may be removed once the civil drawings are approved by Lacey PW and CD Departments and installation begins.

Any large trees on site should be retained and designed into the project, where possible. The city's contract forester will need to review the site and make a written recommendation to staff

regarding tree health and suitability for retention. This report must be submitted with the application in order to be accepted as complete. You will be billed for the actual costs of the forester's time on this project.

SETBACKS:

PRD SPECIFIC: 20-foot setback to closest lot (16.60.110). Effectively this is a 20' buffer surrounding the interior perimeter of the site to ensure a 20-foot setback is maintained between the PRD structures and its neighboring parcels.

The setback requirements are the same as the other residential uses in the underlying zone. (LMC 16.62.030).

However, the standard setbacks and yard requirements between buildings may be waived in a PRD. Wherever buildings are separated, a minimum distance of ten feet shall be maintained between such buildings. (16.60.110).

HEIGHT

(16.62.030)

1. The maximum height for cottages with a minimum roof slope of six feet vertical to twelve feet horizontal is twenty-five feet. All parts of the roof above eighteen feet shall be pitched.
2. The maximum height for cottages with a roof slope less than six feet vertical to twelve feet horizontal is eighteen feet.
3. The maximum height for all accessory structures is eighteen feet.

LANDSCAPING:

Cottage Specific:

Parking and vehicular areas shall be screened from public streets and adjacent residential uses by landscaping or architectural screens. The illustration in Table [16T-85](#) provides a good example of screening with columnar trees separating the driveway from the adjacent property.

Utility Elements. Utility meters and heating/cooling/ventilation equipment shall be located/designed to minimize visual impacts from the street and common areas.

General:

All planter strips, arterial/collector street buffers, stormwater facilities, and other open space tracts must be landscaped. Natural vegetation designed to be retained in these tracts does apply toward landscaping requirements. The Community Development Department will review all landscaping not located in the right-of-way (open space tracts, common areas, etc.).

A landscaping plan is required and should be designed by a licensed landscape architect, nursery person, or landscaper and submitted to the Planning Department. A separate irrigation plan must also be submitted. All requirements of Chapter 16.80 of the Zoning Code shall be satisfied.

Use of drought-resistant species, such as native or naturalized plants can reduce the amount of water needed for irrigation, save on maintenance, and be more resistant to disease. Native and naturalized plant selection is strongly encouraged.

If final plat is desired prior to the installation of the landscaping improvements, a letter of credit, assignment of savings, or other financial security must be provided to the Planning Department in the amount of 150 percent of the landscaping. The City will release this financial security once the landscaping for the project is installed and approved by the Planning Department and a one year 20 percent maintenance financial security device is obtained.

Irrigation plans must be designed to consider all trees and their root zones that have been identified for retention. Location of lines within these areas should be avoided when possible, or hand dug when these locations are necessary.

PARKING:

Parking Requirements.

1. The required number of parking spaces is an optional minimum of one space and a maximum of one and one-half spaces per dwelling.
2. Parking shall be located on the same property as the cottage development.
3. Parking and vehicular areas shall be screened from public streets and adjacent residential uses by landscaping or architectural screens. The illustration in Table 16T-85 provides a good example of screening with columnar trees separating the driveway from the adjacent property.
4. Parking shall be located in clusters of not more than five adjoining uncovered spaces (except where parking areas are adjacent to an alley or vegetated LID facilities).
5. Parking is prohibited in front and interior yard setback areas. The top illustration and photo in Table 16T-85 provide good examples of parking location.
6. All detached parking structures shall have a pitched roof design.

7. Garages may be attached to individual cottages provided all other design standards have been met and the footprint of the ground floor, including the garage, does not exceed one thousand square feet. Such garages shall be located away from common open spaces to the extent possible.

8. At least fifty percent of the required parking spaces shall be enclosed. Such structures shall be designed consistent with the cottage architecture. This includes similar building materials, rooflines, and detailing.

OPEN SPACE:

PRD's must provide a minimum of 30% of the gross land area for common open space. Up to 50% of the common open space requirement may be satisfied by the preservation of trees.

At least half of the open space within a residential development must be usable for active recreation. Open space shall meet the design criteria contained in LMC 14.23.088.

Design. Cottages are subject to the design criteria in LMC 14.23.072. Where there are conflicts between LMC 14.23.072 and the standards in this chapter, the standards herein shall apply.

Minimum Common Space. The minimum common space required is three hundred square feet per dwelling. The common open space shall be configured so that at a minimum:

1. The common open space abuts fifty percent of the cottages in a cottage housing development.
2. Cottages are oriented around at least two sides of the common open space.
3. Cottages are oriented around the open space with an entry facing the common open space.
4. Cottages should be within sixty feet walking distance of the common open space.
5. Area required to meet minimum private open space, setback, and parking requirements may not be used in the calculations for common open space.
6. Common open space shall be accessible to all cottage residents in the applicable cluster and maintained by the development's homeowner's association.

Minimum Private Open Space. The minimum private open space required is two hundred square feet per dwelling. Required open space shall be adjacent to each dwelling unit and for the exclusive use of the cottage resident(s). The private space shall be:

1. Usable (not on a steep slope).

2. Oriented toward the common open space as much as possible.
3. No less than eight feet in dimension on any side. A desirable configuration for this private open space is an area between the dwelling unit and the common open space, similar to what's shown in the examples in Table 16T-85.

Facades and Porches.

1. Cottages facing the common open space or common pathway must feature a roofed porch at least eighty square feet in size with a minimum dimension of eight feet on any side.
2. Cottages fronting on a street shall provide a covered entry feature with a minimum dimension of six feet by six feet facing the street. This is in addition to the porch requirement, where the cottage is adjacent to a common open space or pathway.
3. All facades facing common open space, pathways, and streets shall comply with architectural details and windows and transparency design criteria specified in LMC 14.23.072(C) and (I), respectively.

Clustering Groups. Developments shall contain a minimum of four and a maximum of twelve dwellings located in a cluster group to encourage a sense of community among the residents. A development site may contain more than one cluster.

DESIGN REVIEW:

Residential Design Review is required for all single-family lots and is completed at the time of building permit submittal. House design shall meet the requirements of LMC 14.23.072 Design criteria for detached single family dwelling units

<https://lacey.municipal.codes/LMC/14.23.072>

OTHER ISSUES:

All short subdivisions, preliminary plats and boundary line adjustments that are subject to city liens (LIDs/ULIDs) must be current and the proper documentation approved by the city council prior to recording the final documents. This is because these liens are based on acreage of the parent parcels and must be modified to match the current proposal.

The city desires to form partnerships with nonprofit housing authorities and the private development community in promoting infill, providing affordable housing and achieving GMA smart growth and livable city objectives. To provide for innovation and creativity in achieving housing and livable city objectives of the Plan, flexibility may be permitted where a specific cottage project furthers the Plan's objectives, but zoning code requirements would prevent the

project, make it less effective in implementing the Plan's intent, or act as a barrier to implementation of the Plan's vision. The city may waive said code provisions under the following conditions:

1. The city and the private/public partners believe the subject project meets community objectives of smart growth, livable city and sustainability as identified in the city Comprehensive Land Use Plan;
2. Design of the project gives significant attention to place making and functionality that will enhance the livability of the neighborhood in which it is located, as identified in the Comprehensive Land Use Plan and/or the applicable neighborhood plan;
3. Design includes energy conservation features that promote sustainability goals as identified in the Comprehensive Land Use Plan and/or other plans developed to promote energy conservation and sustainability;
4. The project addresses target demographics or specific community housing need as identified in the Comprehensive Land Use Plan's Housing Element and/or the applicable neighborhood plan;
5. Based upon a determination by the director, the proposed project design will better implement objectives of the Comprehensive Land Use Plan. (Ord. 1612 §12, 2022; Ord. 1496 §97, 2016; Ord. 1427 §3, 2013; Ord. 1380 §1, 2012; Ord. 1310 §48, 2008).

Staff in Attendance

Community Development Department (360) 491-5642

- ☐ Vanessa Dolbee, Director
- ☐ Sarah Schelling, Current Planning Manager
- ✓ Reace Fant, Associate Planner
- ☐ Sarah Bartz, Assistant Planner
- ☐ Samra Seymour, Senior Planner
- ☐ Terry McDaniel, Plans Examiner
- ✓ Asher Cabe, Fire Code Specialist
- ☐ Wesley Nguyen, Economic Development Coordinator

City Manager Department (360) 491-3214

- ☐ Rick Walk, City Manager

Public Works Department (360) 491-5600

- ☐ Scott Egger, Director
- ☐ Aubrey Collier, City Engineer
- ✓ Tom Stiles, Development Review Engineer
- ☐ Joey Etter, Development Review Specialist
- ☐ Mike Swanson, Development Review Specialist
- ☐ Martin Hoppe, Transportation Manager
- ☐ Chris Stolberg, Transportation Engineer
- ☐ Brandon McAllister, Utility Engineer
- ☐ Doug Christenson, Stormwater Engineer

Others

**CITY OF LACEY
PUBLIC WORKS DIVISION
PRESUBMISSION CONFERENCE
NOTES**



MEETING DATE: September 9, 2024

PLANNER: Reace Fant

NOTES BY: Tom Stiles

CASE NUMBER: Not Assigned at this time

APPLICANT: City of Lacey

REPRESENTATIVE: Jennifer Adams

PROPOSED USE: 60 Cottage Units

WATER REQUIREMENTS:

Current water location: A 12-inch PVC water main is located in Mullen Road. Also, a 12-inch Ductile Iron main is provided to this parcel. See attached system map. If you would like additional map information or “as built” drawings, please contact Jacob Sutton (360-438-2688).

Water improvements: Appropriately sized water mains (8-inch minimum) shall be extended into the site to provide domestic water service to each individual lot/cottage, meet water quality and Lacey Fire requirements. Water main extensions shall be located on the north/east side of the road or drive area 6 feet off center line. The water main from the 12-inch Ductile Iron main provided to the site near the proposed western entrance shall be connected back to the 12-inch PVC water main in Mullen Road at the eastern entrance to the site (dead end mains will not be permitted). City of Lacey 2017 Development Guidelines and Public Works Standards manual (DG&PWS) 6.010.

Each building shall be individually metered. A domestic water service shall be provided for each building (if duplexes are utilized each side of the duplex shall be metered). (DG&PWS 6.120 F)

An irrigation meter with a Double Check Valve Assembly backflow prevention device shall be provided for all landscaped areas. (DG&PWS 6.120 F)

To assure adequate water is present for your project, modeling of the water system shall occur. If you decide to continue forward with this project, please contact Brandon McAllister (360-413-4386) to coordinate the fire flow modeling.

In addition to all Federal and State requirements, water system improvements shall meet the requirements of the current City of Lacey City of Lacey Development Guidelines and Public Works Standards Manual, the Coordinated Water System Plan (CWSP), Department of Health (DOH), City of Lacey Water System Plan, AWWA, Department of Ecology, Thurston County Environmental Health and City of Lacey Fire Code Official's standards. Actual main size, loop closures, and possible off-site improvements including the number and location of fire hydrants, will depend on the fire flows required and available to the site. (DG&PWS, Water 6.010)

If utility extensions are needed for the proposed project for roads that were paved in the last five years and the roads must be "cut", a disruption fee will be charged in accordance with Lacey Municipal Code 12.16.055.

The builder/applicant/owner is required to purchase each water meter prior to the issuance of each building permit. (DG&PWS Water 6.121)

Prior to subdivision of land, water and sewer services shall be provided for each lot created (Lacey Municipal Code sections 15.12.030 and 15.12.040).

SEWER REQUIREMENTS:

Current sewer location: An 8-inch sewer main is located at the intersection of Stikes Drive and Mullen Road. See attached system map. If you would like additional map information or "as built" drawings, please contact Jacob Sutton (360-438-2688).

Sewer improvements: The 8-inch gravity main shall be extended from the intersection of Stikes Drive and Mullen Road to the furthest location within the plat needed to provide sewer to the cottages. Sewer main extensions shall be on the South or West side of each roadway or drive area 6 feet off centerline.

Also, to serve the cottage clusters with sewer. Mains shall be extended into the cottage greens to allow sewer laterals to connect to the mains needed to serve each lot/cottage with sewer. The mains will require a 15-foot easement and a means to maintain the main shall be incorporated into the design.
(DG&PWS, Sewer 7A.010)

In addition to all Federal and State requirements, sanitary sewer improvements associated with this project shall comply with the current City of Lacey Development Guidelines and Public Works Standards Manual, City of Lacey Comprehensive Sanitary Sewer Plan, Thurston County Health Department, Washington State Department of

Health (DOH), the LOTT Clean Water Alliance and Department of Ecology. (DG&PWS, Sewer 7A.010 and Subdivisions and Short Plat 2-21)

Water/Sewer Connection Fees: Estimates will be calculated after site information is provided (meter sizes, square footage of the site, proposed use or uses, etc.). City staff will research existing Latecomer Agreements, Front Footage Fees, and U.L.I.D. / L.I.D. assessments and prepare the estimates.

All proposed structures shall be connected to sanitary sewer. (DG&PWS, Sewer 7A.010) Public mains with associated appurtenances shall be installed to serve the proposed project with sewer.

Confirmation that the site layout satisfies maintenance vehicle requirements shall be provided. The layout must allow a 40-foot long vactor truck with an inside turning radius of 45-feet to maneuver through the site. (auto-turn confirmation is required). Covered parking along the route may be prohibited. The current design does not look like it will allow the vactor truck to maneuver through the site.

STORM AND EROSION CONTROL REQUIREMENTS:

In addition to all Federal and State stormwater requirements, this project shall comply with the current City of Lacey Development Guidelines and Public Works Standards Manual, the current City of Lacey Stormwater Design Manual (SDM) and the Lacey Municipal Code (LMC) section 14.27. The Stormwater Design Manual requires the use of Low Impact Development (LID) techniques to the maximum extent possible. Stormwater drainage and erosion control submittals shall be in conformance with the formatting and content requirements described in Chapter 3 of the Stormwater Design Manual.

In order to receive a complete application for the project, a complete draft stormwater site plan which includes soils testing, computer modeling (including the WWHM 2012 Data files produced with the model), engineering calculations (including treatment and infiltration) and formatted in accordance with the City of Lacey Stormwater Design Manual shall be provided to the City with all other submittal requirements when project application is made (SDM 3.2.2).

Treatment and infiltration facilities shall be constructed for stormwater associated with the site, adjacent properties currently discharging to the site and roadways created with the project.

This project is located within a Category I Critical Aquifer Recharge Area, Enhanced treatment for stormwater is required (SDM 8.2 and Appendix 8B).

Projects shall retain, disperse, and infiltrate stormwater on-site to the maximum extent feasible. Design of infiltration facilities requires site infiltration analysis, to determine

wet-season soil and groundwater conditions and to establish a long-term design infiltration rate. (SDM 2.2.5 & 7.2)

Setbacks for stormwater infiltration shall be in conformance with Chapter 7 of the SDM.

Individual roof drain infiltration systems shall be installed for each building. Storm water shall be dispersed throughout the site to simulate pre-development infiltration to the maximum extent possible.

In conformance with the City of Lacey Stormwater Design Manual, post-construction soil quality and depth (BMP T5.13) shall be incorporated into the site design and construction (SDM 2.2.5 & 7.4.1).

A Stormwater Pollution Prevention Plan (SWPPP) shall be submitted to and approved by the City **prior to beginning any site disturbing activities at the project**. Each of the 13 required elements as identified in SDM Chapter 5 must be addressed and included in the construction SWPPP. If site conditions render any element unnecessary, the exemption for that element shall be clearly justified in the narrative for the SWPPP. The SWPPP shall be submitted to and approved by the City prior to Civil Plan Approval.

A Stormwater Facility Maintenance and Source Control Manual per chapter 3 of the City of Lacey Stormwater Design Manual shall be submitted to and approved by the City of Lacey. The maintenance manual shall be included with the submitted drainage report as part of the stormwater site plan.

Also, the Maintenance and Source Control Manual shall be prepared as a stand-alone document for the post-development facility owner(s). The maintenance manual shall be submitted to and approved by the City of Lacey Public Works department **prior to Civil drawing approval**.

STREET IMPROVEMENTS:

Frontage improvements:

Frontage improvements along Mullen Road were previously installed. Additional improvements to Mullen Road are not required.

Through Planned Residential Development and Cottage Housing Allowances, the road sections may be modified to reflect the character of the cottage community; however, a minimum of a 20-foot roadway will be required.

At the meeting it was discussed that a 22-foot roadway may be appropriate for this application. Also, it was discussed that the width of the entrance should reflect the turning movements entering and exiting the site.

The proposed angled access to the site needs to be squared up so it is perpendicular to the Mullen Road.

In lieu of sidewalks along the proposed roadways, a detailed pedestrian walking plan showing how pedestrian navigate the site and gain access to Mullen Road shall be developed and implemented.

Please note that where the internal road connects to Mullen Road, the initial portion of the roadway at the intersection (or intersections) shall meet Major Collector Type II standards.

By meeting these standards, it will allow stacking for the left turn onto Mullen Road where the break in the median is located.

In addition to all Federal and State requirements street lighting requirements, street lighting levels shall comply with current City of Lacey Development Guidelines and Public Works Standards requirements for roadways and intersections. To comply with these standards and assure street lighting is in conformance with these standards, additional street lighting may be required for all streets adjacent to this project. All street lighting designs shall be prepared by an engineering firm capable of performing such work. (DG&PWS, Transportation, Illumination 4E.010)

Fiber optic conduit shall conform to the standards and requirements as set forth in Chapter 4 (Transportation) from the Development Guidelines & Public Works Standards (DG & PWS, Transportation 4E.035).

Minimum intersection curb radii and centerline radius requirements must be satisfied. Please label all radii on the final plat (DG&PWS 4B.020).

All residential projects, whether single or multi-family, which abut a boulevard, an arterial, or any class collector street shall be required to establish a buffer from such streets. The buffer must be a separate tract of land, 20-feet in width, within the subdivision and is to be maintained by the homeowners association. (DG&PWS, Transportation 4B.065)

In addition to all Federal and State requirements roadway requirements, this project shall comply with current City of Lacey Development Guidelines and Public Works Standards Manual requirements for roadways.

ACCESS:

Access shall be provided to the property as determined and approved by the City. All access points shall meet minimum access spacing, minimum corner clearance, sight distance and minimum or maximum width requirements as outlined in the Development Guidelines & Public Works standards.

TRAFFIC MITIGATION:

Traffic mitigations as determined by the Residential Traffic Generation worksheet are required. Conditions of Lacey Municipal Code 14.21 shall be satisfied.

General Surveying Requirements:

Utility easements are required for all public mains, water and sewer located on private property. Easements shall include fire hydrants, water meters, sewer improvements and future extensions of mains to adjacent properties. Easements and stub outs shall be provided to serve adjoining properties as determined by the City. Rather than being designated as water or sewer, all easements shall be identified as “utility” easements on the civil drawings and in the easement document. Specific requirements will be determined at the of plan review. All easements shall be prepared by a licensed land surveyor. Prior to release of approved civil drawings, easements shall be submitted to and approved by the City of Lacey Public Works Department. (DG&PWS Chapter 3.110).

Landscaping within easement areas shall be limited to shrubs and other low growing vegetation without major root systems. Trees are prohibited within easement areas.

The City of Lacey Coordinate System is a ground scale coordinate system derived from the Washington Coordinate System, NAD 83/91. Units are expressed in feet. Data can be obtained from Lacey Public Works Department. Civil drawings shall be submitted utilizing the City of Lacey Coordinate System. (DG&PWS 3.025)

City of Lacey Vertical Datum has elevations referenced to the National Geodetic Vertical Datum of 1929 (NGVD29). Units are expressed in feet. A benchmark listing can be obtained from Lacey Public Works Department. Civil drawings shall be submitted utilizing the City of Lacey Vertical Datum. (DG&PWS 3.025)

Civil engineering drawings submitted the City of Lacey must be on National Geodetic Vertical Datum 1929 (NGVD29). Civil drawings not on this datum will not be accepted and routed for review.

Right-of-way shall be dedicated for this project. The requirement to dedicate right-of-way shall be determined by the City or Regional Transportation plans, by a Traffic Impact Analysis, or as determined by Public Works. Dedications shall be determined by a professional Land surveyor. Prior to civil drawing approval, the right-of-way dedication shall be submitted to and approved by the City of Lacey Public Works Department (DG&PWS, Transportation 4B.060).

Immediately adjacent to the public right-of-way a 10-foot joint utility easement area shall be dedicated to accommodate the installation of private and public utilities (2017 Development Guidelines and Public Works Standards Roadway details).

Financial Guarantees

A 20 percent maintenance bond or financial guarantee of the engineer's estimate or approved bid estimate is required for a period of 24 months upon construction completion and approval of Public Works improvements. The financial guarantee may be released after 18 months if all conditions of approval have been satisfied. The financial guarantee applies to sewer, stormwater, water, frontage, landscaping/irrigation, roadway and street lighting improvements (LMC 14.20.025).

Miscellaneous Requirements:

All improvements shall satisfy City of Lacey Development Guideline Standards in place at the time complete application is obtained (Complete application is determined by the City of Lacey Community Development Department). (LMC)

Prior to submitting civil drawings for review, Land Use Approval must be obtained.

All Public Works improvements must be designed by an engineer licensed in the State of Washington and submitted to the City of Lacey Public Works Department for review and approval (DGPWS 3.040)

Prior to civil drawing approval, one set of drawings and an electronic copy of the drainage report and approved civil drawings in PDF format shall be submitted to the City of Lacey Public Works Department. (DG&PWS Chapter 3.040, B)

Prior to final Public Works Construction approval, "as-built" bond paper drawings along with the revised electronic civil drawings (AutoCAD and PDF formats) shall be submitted to the City of Lacey Public Works Department for all approved final plans. (DG&PWS Chapter 3.040, J)

A Bill of Sale for proposed water, sewer and street lighting improvements being installed with this project is a requirement for approval. Prior to approval of civil plan review drawings for the project, Bill of Sale documents shall be submitted to and approved by the City of Lacey Public Works Department.

The Homeowner's Association shall be responsible for maintaining the area within the right-of-way (weeding, pruning, irrigating, mowing, etcetera of the landscaping and any other vegetation.) in a healthy, growing and weed free manner in perpetuity. In the absence of a Homeowner's Association, the property owner(s) adjacent to the public right-of-way shall be responsible for these duties. If these areas are being maintained by another group or organization, then a maintenance agreement (or adequate documentation) that verifies these areas are being (and will continue to be) maintained shall be submitted to the City for review. (Development Guidelines & Public Works Standards, Transportation 4G.100D).

The following is a condition for approval: “The City of Lacey has no responsibility to build, improve, maintain, or otherwise service the private roads within or providing access to the project property.” (Lacey Municipal Code 15.32.190)

The following note is a condition for approval: “The owner shall be responsible for maintaining the private streets (along with associated parking areas) and landscaped area (weeding, mowing, irrigation, pruning of all vegetation, etc.) in a healthy and growing manner in perpetuity”. (DG&PWS, Transportation 4G.100D)

Along with the civil review application and the completed, signed and stamped checklist from Chapter 3 of the Development Guidelines, three sets of civil drawings, two drainage reports and an electronic copy of the civil drawings (PDF format) shall be submitted directly to the City of Lacey Public Works Department for civil review.

Drawings submitted to other City departments will not satisfy this requirement.
(DG&PWS 3.040, B)

End of Notes







BUILDING AND FIRE PRE-SUB COMMENTS

Meeting Date: N/A

Case # N/A

Applicant Name: N/A

Project: Mullen Rd Cottages

Location: Mullen Rd

Notes By: Asher Cabe

Planner: Reace Fant

All building and fire pre-submission conference notes are preliminary based on information given at the time of pre-sub. Comments from both divisions are subject to change as more information becomes available. If you have any questions or concerns we can be reached @ 360-491-5642.

BUILDING DIVISION

CURRENT CODE CYLCE (ICC CODES): 2021

GEO TECH REPORT REQUIRED: Yes

WA ST. LICENSED ARCHITECT REQUIRED: Yes

GRADING PERMIT REQUIRED: Yes

WA ST. ENGINEER REQUIRED: Yes

BUILDING PERMIT REQUIRED: Yes

ADA 2009 ANSI-117 REQUIRED: Yes

ADDRESS ASSIGNED BY CITY: Yes

DEMO PERMIT REQUIRED: TBD

DEFERRED SUBMITTALS: Yes

FIRE DIVISION

FIRE FLOW REQUIRED(GPM): 1,500

NUMBER OF FIRE HYDRANTS REQUIRED: 2

SPRINKLERS REQUIRED: No

FIRE HYDRANT SPACING REQUIRED: 600 FEET

FIRE ALARM REQUIRED: No

TYPE 1 HOOD REQUIRED: No

FIRE LANE MARKING REQUIRED: Yes

FIRE ACCESS ROAD SIZE: 20'

ADDRESS NUMBER SIZE REQUIRED: 4"

RADIO COVERAGE REQUIRED: No

POLICE KNOX BOX REQUIRED: No

FIRE KNOX BOX REQUIRED: No

Additional Notes:

- 1. Maintain 10' setbacks between structures or provide 1hr fire wall.***
- 2. Provide modeling for LFD #3 Truck 31 turning radius throughout neighborhood. Truck 31 specs available upon request.***
- 3. Dead end drive aisles must not exceed 150' or a fire apparatus turn around shall be provided per IFC Appendix D.***
- 4. One EV ready parking stall shall be provided for each dwelling unit.***

Asher Cabe

City of Lacey

Fire Code Specialist

360-491-5642

Terry McDaniel

City of Lacey

Building Official/Fire Alarm

360-491-5642

John Baldrige, Ph.D.
S2C LLC
73 Raspberry Rd.
Elma, WA 98541

27 September 2024

To Whom it May Concern:

Enclosed with this letter is information compiled following a pocket gopher review for the following location:

- **Street Address:** 5025 Mullen Rd., Lacey, WA 98503
- **Parcel Number:** 11828320203

This review was conducted by John Baldrige, Ph.D. in accordance with the protocols established by the USFWS and by Thurston County, WA.

Summary of Findings: Mazama Pocket Gopher Activity NOT DETECTED on 27 September 2024

This parcel IS NOT within 600 feet of known MPG locations, according to PHS

The following information files are included with this letter:

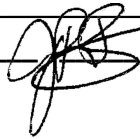
- Thurston County Gopher Review Forms
- Gopher Survey Maps
- Site Photos

All other data gathered during the review have been securely stored by S2C LLC, including field notes and ESRI shapefiles formatted according to county metadata requirements.

Sincerely yours,

The S2C LLC Team

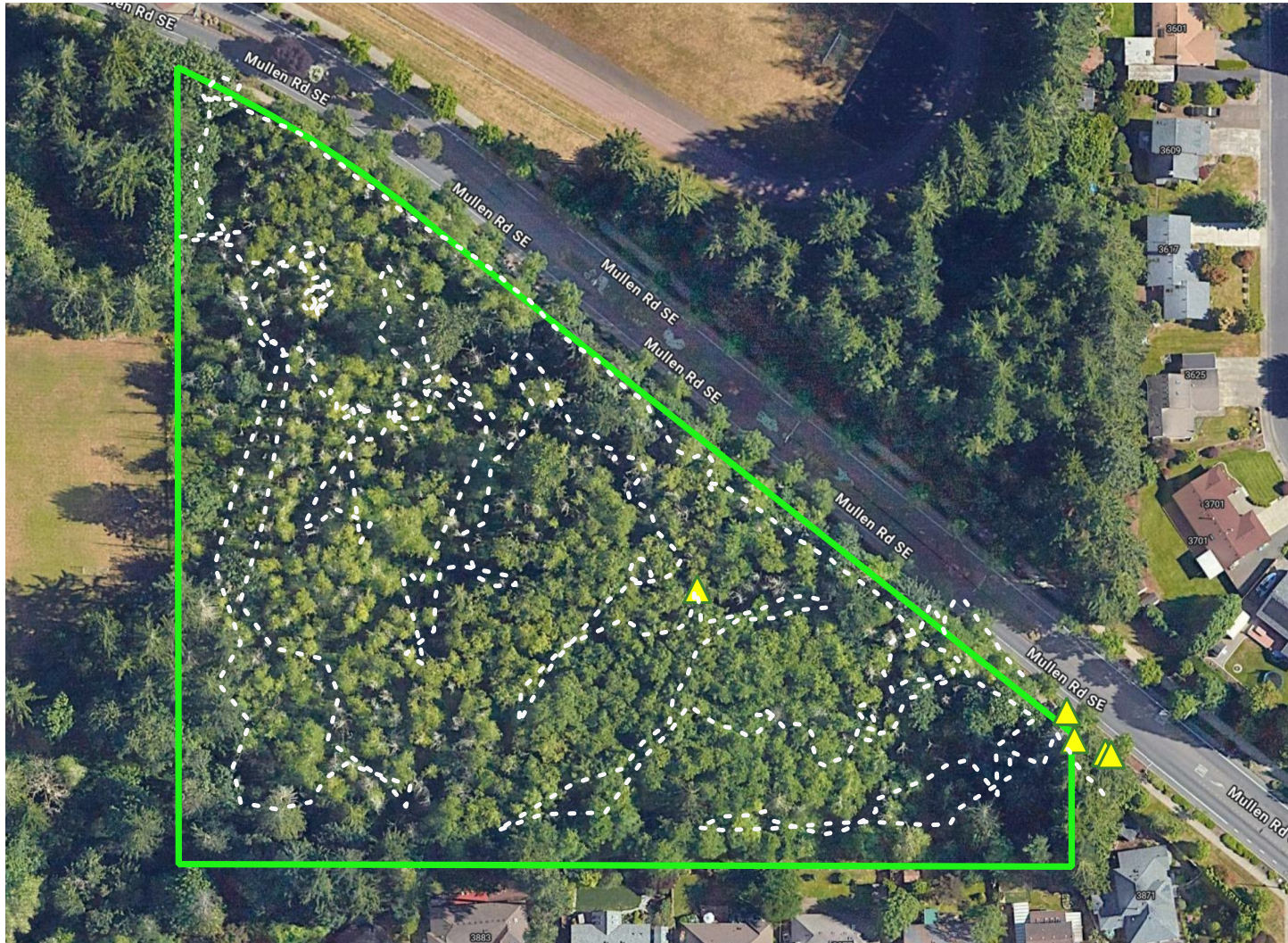
Site Name and Parcel #	Parcel #: 11828320203 Project #: Site/Landowner: LOTT Alliance
How were the data collected? (circle the method for each)	Transect: Trimble Garmin Aerial GPS Mounds Trimble Garmin Aerial GPS Notes: GPS-enabled phone using SW Maps GIS app with custom attribute tables
Field Team Personnel: (Indicate all staff present, CIRCLE who filled out form)	Name: John Baldrige, Ph.D. Name: Name:
Others onsite (name/affiliation)	N/A
Site visit # (CIRCLE all that apply)	1st 2 nd Unable to screen Notes:
Do onsite conditions preclude the need for further visits?	Yes No Dense woody cover that encompasses the entire site (trees/shrubs) that appears to preclude any potential MPG use. Impervious Compacted Graveled Flooded Other _____ Notes: N/A
Describe visibility for mound detection:	Poor Fair Good Notes:
Request mowing? (CIRCLE and DESCRIBE WHERE MOWING IS NEEDED and SHOW ON AERIAL PHOTO	Yes No N/A Notes: no mowing needed

Mounds observed over the whole site are characteristic of: Quantify or describe amount of each type and approx. # of mounds <i>Group = 3 mounds or more</i>	MPG Mounds 0	Likely MPG Mounds 0	Indeterminate 0	Likely Mole Mounds 0	Mole Mounds 5
No MPG mounds (circle)					
MPG mounds in GPS? (CIRCLE and DESCRIBE) If MPG mounds present, entered in GPS?	None All Most Some Notes: no MPG mounds observed Yes No N/A				
Does woody vegetation onsite match aerial photo?	Yes No - describe differences and show on parcel map/aerial: N/A				
What portion(s) of the property was screened? (CIRCLE and DESCRIBE)	All Part - describe and show on parcel map/aerial: N/A				
Notes -	Describe, and show on parcel map/aerial if applicable: Soil Types Present: 046 Indianola loamy sand, 0 to 3% slopes 126 Yelm fine sandy loam, 0 to 3% slopes				
Team reviewed and agreed to data recorded on form? (CIRCLE, and EXPLAIN if "No")	Yes No Reviewed by initials:  Notes:				

5025 Mullen Rd SE, Lacey, WA 98503

Pocket Gopher Survey Visit #1

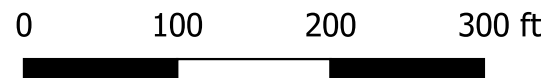
27 September 2024



- tracks
- Mounds_Observed**
 - Mole
 - Gopher
 - Indeterminate
 - Parcel Boundaries

Cartography and field data by John Baldrige, Ph.D. This map was prepared in accordance with US Fish & Wildlife Service guidelines for Mazama pocket gopher mound survey protocols and is intended to accompany a complete report.

Base map courtesy of Google Maps
Map and layout produced with QGIS 3.4.10
Field data collected using SW Maps Android App



S2C LLC
Consulting & Services

5025 Mullen Rd., Lacey, WA 98503

Site Photos

Note the examples of open canopy





Open canopy areas & exposed ground patches necessitate a follow-up visit.

Only mole activity (see exemplar photo, left) was observed during the first visit.