



Valbridge

PROPERTY ADVISORS

Appraisal Report

Auburn Municipal Airport
Auburn, Washington

Report Date: September 30, 2019



FOR:
Mr. Josh Arndt, Senior Economic Development Officer
City of Auburn
25 W. Main Street
Auburn, WA 98001

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September 30, 2019

Mr. Josh Arndt
Senior Economic Development Officer
City of Auburn
25 W. Main Street
Auburn, WA 98001
Via e-mail (jarndt@auburnwa.gov)

RE: AUBURN AIRPORT LAND RENT RE-VALUATION (Our File #19-0103)

Dear Mr. Arndt:

At your request, we have completed a *Narrative Appraisal Report*, containing our opinion of current market rent for the land underlying the representative parcel provided to us, which is a portion of Assessor's Parcel Number 514320-0070 at Auburn Municipal Airport, in Auburn, Washington. This report is intended to review the land with respect to current market activity, and to assist in land rent renewal negotiations between the City of Auburn and its tenants.

The conclusions have been generated through an analysis of comparable land sales activity, as well as activity at other regional airports, and our inspection of the subject property. This report includes descriptions, comparable analysis, and an opinion of market rent for the land owned by the City of Auburn identified as a portion of APN No. 514320-0070 in order to assist in ground lease negotiations for the airport in its entirety. The analysis is intended to provide an opinion of market rent for the land only (excluding improvements and any potential leasehold interest in the land).

This is a *Narrative Appraisal Report*, intended to comply with the reporting requirements of the Code of Ethics and Standards of Professional Appraisal Practice, which include Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. As such, it presents no discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use previously stated.

The appraisers are not responsible for unauthorized use of this report. Use of this report by a third party is not intended. The value conclusions herein are given subject to the specific assumptions and limiting conditions stated immediately following this transmittal letter, as well as others identified in the report.

Based on our investigation and analysis of all relevant data, our opinion of market rent for the subject property, as of September 11, 2019, is:

Conclusion of Value

	Per SF/Year
<u>Auburn Municipal Airport</u>	<u>\$0.825</u>

If you have further questions not answered in the accompanying report, please do not hesitate to call.

Sincerely,

VALBRIDGE PROPERTY ADVISORS | PUGET SOUND



S. Murray Brackett, MAI
Senior Managing Director
Washington License #27011-1100853
11/22/2019



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kr
Enclosures

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Addenda

- Subject Photographs
- Full Airport Layout
- Comparable Land Sales Data
- Qualifications of Appraisers

Executive Summary

Project:	Auburn Municipal Airport
Location:	Auburn, Washington
Real Estate Analyzed:	Approximately 1.70 acres of level ground located at Auburn Municipal Airport (Portion of APN: 514320-0070).
Purpose of the Analysis:	The client has provided us with a representative parcel for which we are to provide an opinion of fair market rent for the underlying land.
Conclusion of Market Rent:	\$0.825/sf/yr
Date of Valuation:	September 11, 2019
Appraisers:	S. Murray Brackett, MAI Christina Lovell, Associate Appraiser
File:	19-0103

Introduction

Identification of the Subject Property

The airport in its entirety consists of three individual tax parcels (APN nos. 000080-0009, 514320-0070, and 000080-0011). The subject of this assignment is a portion of APN 514320-0070 which is located at Auburn Municipal Airport in the City of Auburn, King County, Washington. Our analysis is described as an opinion of market rent for the subject land consisting of approximately 1.70 acres. It is our understanding that the client will utilize the opinion of market rent provided herein, for negotiating ground lease renewals with airport tenants. The subject site is intended to be a representative parcel, and the analysis herein presents an opinion of the fair market rent without consideration of leasehold interest.

Legal Description

A title report was not provided for use in this report; however, according to the King County Assessor, the legal description for the subject is:

A portion of: BRANNON J - DC #38 POR OF J BRANNON DC #37 & #38 & OF J A LAKE DC #38 & #41 IN TOWNSHIP 21 RANGE 4 & IN TOWNSHIP 21 RANGE 5 DAF - BEG AT NE COR OF SD J A LAKE DC #41 (SD COR LOCATED IN SW 6-21-5) TH SLY ALG E LN OF SD DC 8 FT TH N 88-49-52 W 455.93 FT TH S 00-52-25 W 22 FT TO TPOB TH CONT S 00-52-25 W 689.49 FT TH N 88-49-52 W 500 FT TH S 00-52-25 W 1590.40 FT TH S 88-49-52 E 500.92 FT TH S 00-52-25 W 1320.45 FT TH N 88-53-43 W 1689.16 FT TH N 00-41-16 E 1400 FT TH S 88-49-52 E 688.45 FT TH N 00-51-25 E 2202.27 FT TH S 88-49-52 E 1004.98 FT TO TPOB LESS POR IF ANY FOR RD (INCLUDES ALL OF LOT 1 & POR OF LOT 2 OF AUBURN SHORT PLAT #SP-15-81 REC #8207299002) - AKA LOT A OF AUBURN LLA # LLA-0005-97 REC #9703181099 TGW E 30 FT OF LOTS 2-3 & 4 OF AUBURN SP 5-97 REC #9705140453

The subject property can otherwise be identified as a portion of King County Assessor's Tax Parcel No. 514320-0070. We have also relied on maps, aerials, our physical inspection of the subject property, as well as information provided by the client for general identification.

History and Ownership

The subject property is currently owned by the City of Auburn and has a total land area of approximately 1.70 acres based upon an estimate from aerial mapping which we assume is accurate. We are aware of no ownership changes in the past three years and the site is not currently listed for sale to our knowledge.

Date of Inspection/Valuation

The subject property was inspected on March 27, 2019, which is the effective date of our analysis. Present at the inspection were Christina Lovell and S. Murray Brackett, MAI, of Valbridge Property Advisors | Puget Sound and Tim Mensonides and Josh Arndt of the City of Auburn.

Intended Use/User of Report

The representative parcel is currently unimproved with the exception of site improvements, such as asphalt paving and utilities. The purpose of the report is to establish an applicable market rent for the subject land only, as serviced with utilities, and without consideration of any potential leasehold interest. The intended user of this report is the client, for use in establishing ground lease rates for Auburn Municipal Airport.

This appraisal report was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). Summarized descriptions of properties used for comparison are included in this report, as well as all of our analyses and conclusions. The value conclusions herein are given subject to the specific assumptions and limiting conditions stated immediately following this transmittal letter.

Property Rights Appraised

As a rental study, this appraisal essentially reflects an opinion of the market rental rate for the property. It does not consider any potential accrued leasehold value, since the conclusion is a periodic fair rental rate. Market rent is defined as:¹

Market rent is the rental income that a property would most probably command in the open market.

The basis of a market rental rate is founded in the concept of Market Value and is derived from several data sources. To further clarify, Market value is defined as:²

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

- 1. buyer and seller are typically motivated;*
- 2. both parties are well-informed or well-advised and acting in what they consider their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- 5. 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.*

In this analysis, we have considered the restrictive (special) use as an airport property, as well as similar uses at comparable facilities. The rental opinion is based, in part, on surrounding land sales activity, as well as current rents being received or asked for on comparable properties located at

¹ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 447

² From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 58.

other airports – both regional and nationwide. In providing an opinion of the economic rent for the subject, the concluded rental rate does not include the leasehold excise tax applicable to all leases on airport property. This leasehold tax is 12.84% and is essentially in lieu of real property taxes.

Scope of the Appraisal

The scope of this appraisal considers land values in the area surrounding Auburn Municipal Airport, which have generally similar characteristics. In appraising the subject property, the appraisers did the following:

- Discussed pertinent information on included airports with airport managers.
- Inspected comparable airports, when possible, and confirmed data used.
- Researched Metroscan, CBA and CoStar for land sales activity, as well improved lease comparables for commercial/industrial properties.
- Researched Valbridge Property Advisors' existing data bank.
- Confirmed all land sales with buyers, selling agents, Costar services and/or public records.
- Developed appropriate valuation criteria/techniques based upon extensive interviews with airport managers and real estate professionals.

Hazardous Waste/Extraordinary Assumptions

An Extraordinary Assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers' opinions or conclusions.

A Hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis. It is noted that the use of a Hypothetical Condition may affect the results of an assignment.

We have been provided no information regarding the presence or absence of hazardous waste on the subject property. This report assumes the absence of any and all hazardous waste on the subject property. If hazardous waste is found to be present on the subject property, we reserve the right to change the conclusions contained in this report.

This appraisal incorporates the following Hypothetical Conditions:

1. There are significant site improvements in place on the subject; this analysis reflects the unimproved land only, but assumes service by all public utilities (H.C.)

Personal Property

There is no personal property included in the opinion of value.

Marketing and Exposure Periods

This is an analysis of an individual but representative parcel at a small, municipal airport. The airport will, in all likelihood, never be sold, and thus no marketing period estimate is necessary. The individual parcels are typically leased on a long-term basis (20 to 50 years) but are not sold in fee simple.

Area Development and Land Uses

The subject is located in the city of Auburn within King County. Auburn is located in both King and Pierce Counties, with the majority of spatial land area within King County. The population of Auburn was 70,180 at the 2010 United States Census, with the 2018 estimate at 82,073.

The subject neighborhood is located in the northern section of Auburn. The area is urban in nature. The city is bounded by Kent to the north, Covington to the east, Algona/Pacific to the south, and Federal Way to the west.

Auburn was incorporated in 1891 and was predominantly a farming community at that time. After World War II the city gradually became industrialized as it took advantage of its desirable location mid-way between Seattle and Tacoma. The Boeing Company opened an aircraft plant in the city during the 1960s and several large employers followed. The city still maintains a strong industrial base today as it has good access to primary transportation routes including the Valley Freeway (State Route 167), running in a north/south direction through the city, and State Route 18 (SR-18), running in an east/west direction connecting the city to Interstate 5 (I-5) a short distance to the west.

Auburn's retail core has traditionally been centered along Auburn Way which is the primary arterial through the middle of the city, extending in a north/south direction with predominantly strip retail and auto dealerships on either side. In 1995 Auburn established a regional retail presence with the opening of the Super Mall of the Great Northwest at the junction of State Route 167 (SR-167) and SR-18. This shopping center is the largest outlet mall in south King County. The 3,000-acre Muckleshoot Indian Reservation is in the southeast portion of Auburn and the Muckleshoot Casino, White River Amphitheater (23,000-seat concert venue) and Emerald Downs thoroughbred racing facility are all owned by the Tribe and are considered regional destinations.

While industrial and retail uses have been introduced on Auburn's periphery, the original downtown core had been neglected until the city initiated a plan to revitalize the downtown area in 2001. These efforts are starting to come to fruition as a new commuter rail station project has been completed and the Auburn Regional Medical Center has been expanded north of City hall.

Auburn is now home to approximately 4,000 businesses and has the fastest growing retail market in Washington State, with growth of 51.6% compared to a statewide growth of 6.1%. Major employers include: Auburn New Car Franchise Dealerships, Auburn Regional Medical Center, Auburn School District, Boeing, Certainteed Corporation, Emerald Downs Race Track, Federal Aviation Administration, Federal Express, General Services Administration, Green River Community College, Mohawk Plastics, Muckleshoot Casino Enterprises, NorPlex, Inc., Parametrix, Oak Harbor Freight, Safeway Distribution Center, The Outlet Collection, United Parcel Service, Zones.

In general, the area surrounding Auburn Municipal is commercial and industrial in nature.

Market Analysis - Industrial

The subject property is located in the Auburn Industrial submarket for the greater Seattle-Tacoma-Bellevue MSA. The following are statistics provided by CoStar regarding general industrial and warehouse properties in the Puget Sound region:

Industrial Market Statistics Seattle-Tacoma-Bellevue

Quarter	Seattle - All Industrial Space					Seattle - Warehouse Space Only				
	Total Square Feet	Under Construction	Total Absorption	Total Vacant	Total Rental Rate (Triple Net)	Total Square Feet	Under Construction	Total Absorption	Total Vacant	Total Rental Rate (Triple Net)
2019 Q1	292,898,567	5,624,053	-1,246,304	4.1%	\$9.28 psf	171,276,282	3,763,531	-777,251	4.9%	\$9.49 psf
2018 Q4	292,521,782	5,532,163	393,894	3.5%	\$9.14 psf	171,038,612	3,565,441	80,753	4.3%	\$9.04 psf
2018 Q3	290,517,215	4,489,403	1,473,263	3.0%	\$8.95 psf	170,246,846	2,388,520	998,882	3.9%	\$8.72 psf
2018 Q2	289,351,114	5,233,139	1,132,615	3.1%	\$8.92 psf	169,736,917	2,638,055	577,591	4.2%	\$8.91 psf
2018 Q1	286,869,913	6,401,547	-32,943	2.7%	\$8.76 psf	167,407,581	3,966,063	343,415	3.2%	\$8.51 psf
2017 Q4	286,473,821	6,227,395	2,000,860	2.5%	\$8.57 psf	167,186,781	3,835,065	945,532	3.3%	\$8.34 psf
2017 Q3	286,949,764	5,965,136	-179,316	3.4%	\$8.31 psf	166,970,524	3,806,406	144,919	3.7%	\$8.16 psf
2017 Q2	285,910,489	4,158,495	1,112,106	3.0%	\$7.93 psf	166,033,313	2,384,560	620,165	3.2%	\$7.90 psf
2017 Q1	284,560,120	3,054,874	1,548,619	2.9%	\$7.64 psf	165,134,784	2,404,834	974,623	3.1%	\$7.64 psf
2016 Q4	283,879,173	3,343,274	876,101	3.2%	\$7.08 psf	164,694,821	2,442,744	-61,642	3.4%	\$7.21 psf
2016 Q3	283,158,630	2,801,913	1,373,247	3.3%	\$6.90 psf	164,451,515	1,622,346	1,288,910	3.2%	\$7.04 psf
2016 Q2	283,246,294	1,786,729	1,113,038	3.8%	\$6.51 psf	164,499,165	1,309,492	960,276	4.1%	\$6.63 psf
2016 Q1	282,121,224	1,224,669	1,700,937	3.8%	\$6.42 psf	164,103,440	495,324	357,634	4.4%	\$6.59 psf
2015 Q4	281,046,287	2,297,486	2,116,816	4.0%	\$6.44 psf	163,745,442	851,202	689,931	4.4%	\$6.50 psf
2015 Q3	279,698,895	2,932,985	1,442,828	4.3%	\$6.42 psf	163,238,130	1,339,175	255,926	4.5%	\$6.47 psf
2015 Q2	278,299,327	3,839,994	383,681	4.4%	\$6.44 psf	162,856,025	1,869,926	-60,215	4.5%	\$6.42 psf
2015 Q1	277,539,228	3,973,532	811,926	4.3%	\$6.28 psf	162,625,313	2,096,957	461,737	4.3%	\$6.30 psf
2014 Q4	276,946,187	4,420,844	766,062	4.3%	\$6.27 psf	162,136,872	2,559,254	433,938	4.3%	\$6.27 psf
2014 Q3	276,927,105	3,718,849	609,655	4.6%	\$6.22 psf	162,117,790	2,157,654	396,978	4.6%	\$6.31 psf
2014 Q2	276,422,752	3,419,459	1,318,331	4.7%	\$6.21 psf	162,206,308	1,733,543	524,791	4.9%	\$6.35 psf

Source: CoStar Group, Inc.

As shown above, industrial property in general, as well as warehouse space have low vacancy rates. Economic growth in the Puget Sound area has resulted in an undersupply of industrial space resulting in prospective tenants relocating out of Seattle's industrial core to more suburban areas such as Kent, Redmond, Burien, Auburn, Snohomish and Pierce Counties. Rents have consistently increased over the past 5 years as the region continues to thrive in a post-recession economy. In the larger industrial market, 5,624,053 square feet of space was under construction at the end of Q1 2019, with over half being warehouse space.

The Auburn industrial submarket has also experienced steady increases in rents, and relatively stable vacancy rates.

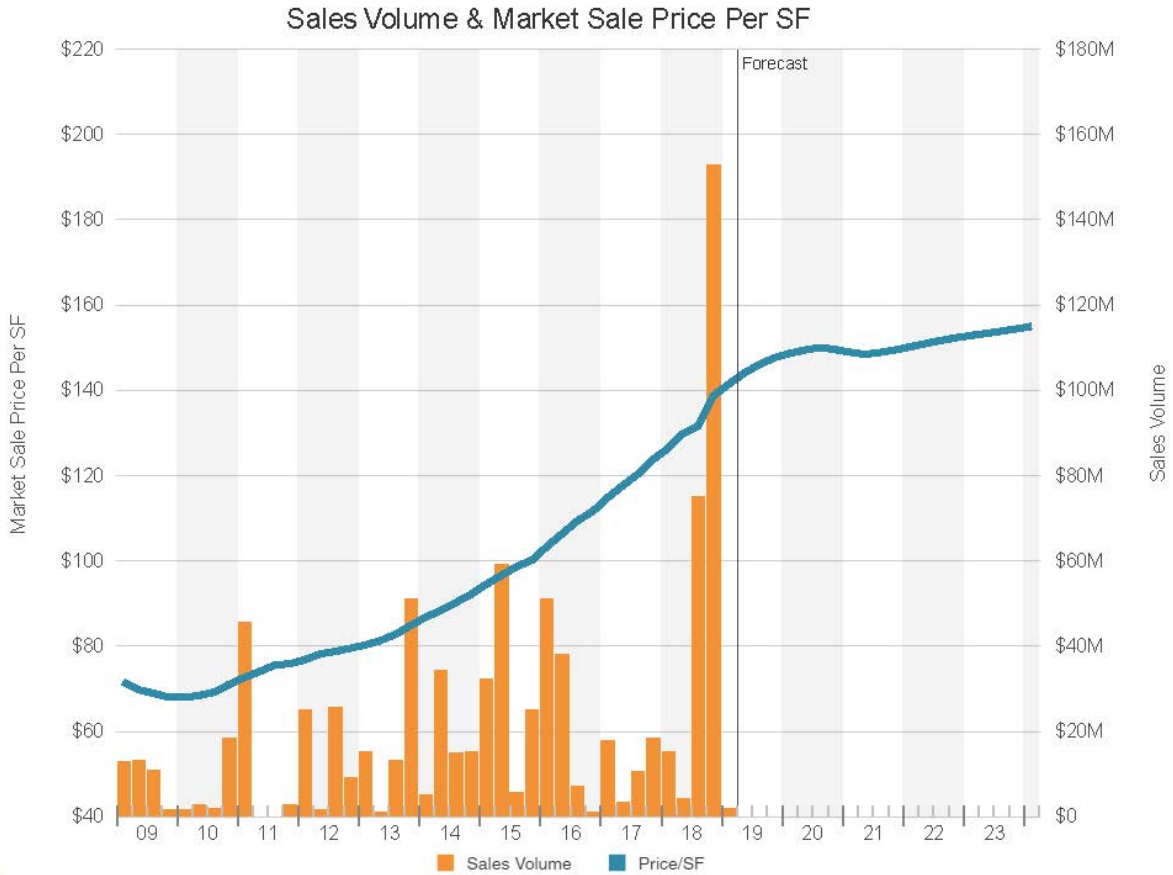
Industrial Market Statistics

Auburn Submarket

Quarter	Auburn - All Industrial Space					Auburn - Warehouse Space Only				
	Square Feet		Total	Total	Total	Square Feet		Total	Total	Total
	Total	Under	Net	Percent	Rental Rate	Total	Under	Net	Percent	Rental Rate
Quarter	Square Feet	Construction	Absorption	Vacant	(Triple Net)	Square Feet	Construction	Absorption	Vacant	(Triple Net)
2019 Q1	26,991,186	287,832	-460,389	3.7%	\$7.58 psf	14,200,718	287,832	-486,172	6.4%	\$7.62 psf
2018 Q4	26,991,186	287,832	-44,317	2.0%	\$7.59 psf	14,200,718	287,832	-202,325	3.0%	\$7.58 psf
2018 Q3	26,991,186	287,832	-83,671	1.9%	\$7.58 psf	14,200,718	287,832	-99,358	1.6%	\$7.48 psf
2018 Q2	26,722,633	556,385	203,987	0.6%	\$7.72 psf	14,200,718	287,832	101,358	0.9%	\$7.56 psf
2018 Q1	26,722,633	268,553	-7,673	1.3%	\$6.90 psf	14,200,718	0	-70,653	1.6%	\$6.63 psf
2017 Q4	26,651,633	332,553	288,592	1.0%	\$6.83 psf	14,200,718	0	243,087	1.1%	\$6.51 psf
2017 Q3	26,658,333	332,553	-156,879	2.2%	\$6.93 psf	14,207,418	0	-141,578	2.9%	\$6.57 psf
2017 Q2	26,658,333	332,553	-6,739	1.6%	\$6.67 psf	14,207,418	0	22,679	1.9%	\$6.39 psf
2017 Q1	26,643,409	85,924	-144,582	1.5%	\$6.48 psf	14,192,494	14,924	-28,669	1.9%	\$6.46 psf
2016 Q4	26,643,409	85,924	153,856	0.9%	\$6.32 psf	14,192,494	14,924	78,040	1.7%	\$6.36 psf
2016 Q3	26,643,409	0	48,105	1.5%	\$6.30 psf	14,192,494	0	18,555	2.3%	\$6.50 psf
2016 Q2	26,643,409	0	-113,568	1.7%	\$5.87 psf	14,192,494	0	-54,058	2.4%	\$6.09 psf
2016 Q1	26,643,409	0	30,458	1.3%	\$5.56 psf	14,192,494	0	6,965	2.0%	\$5.62 psf
2015 Q4	26,643,409	0	221,546	1.4%	\$5.57 psf	14,192,494	0	107,704	2.1%	\$5.46 psf
2015 Q3	26,628,409	15,000	-24,427	2.2%	\$5.42 psf	14,177,494	15,000	-30,499	2.7%	\$5.37 psf
2015 Q2	26,628,409	0	24,279	2.1%	\$5.31 psf	14,177,494	0	-280	2.5%	\$5.25 psf
2015 Q1	26,608,909	19,500	84,689	2.1%	\$5.40 psf	14,157,994	19,500	140,097	2.4%	\$5.35 psf
2014 Q4	26,564,977	63,432	193,840	2.3%	\$5.33 psf	14,123,562	53,932	-10,372	3.1%	\$5.32 psf
2014 Q3	26,548,874	60,035	97,268	2.9%	\$5.38 psf	14,107,459	50,535	60,354	3.0%	\$5.38 psf
2014 Q2	26,548,874	0	-141,409	3.3%	\$5.26 psf	14,107,459	0	-13,274	3.4%	\$5.37 psf

Source: CoStar Group, Inc.

Overall, the market remains strong for industrial property in the Auburn area with the average sales price per square foot of building seeing steady increases.

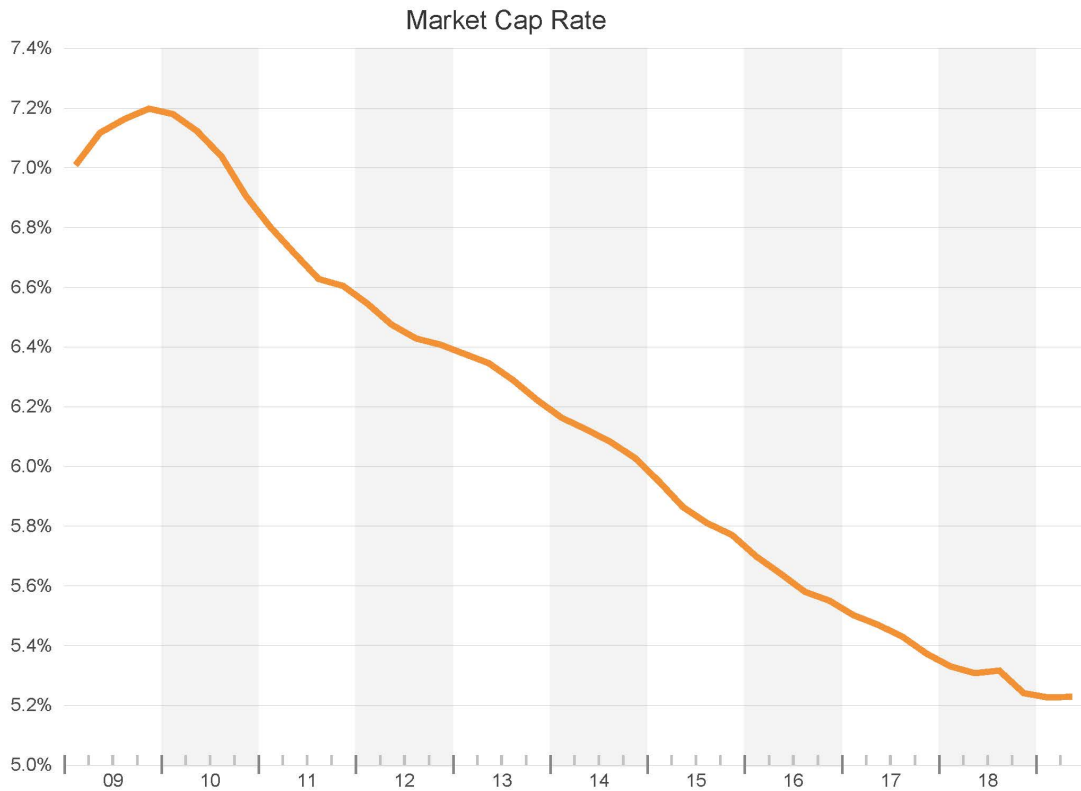


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04/11/2019

Conversations with area brokers indicate that leasing activity in this area is somewhat limited as the typical market participant is an owner/user. Overall, the industrial market in the Auburn submarket continues to grow as participants continue to move in looking for an affordable alternative to Seattle.

The following chart summarizes Cap rate information for the Auburn Industrial market. As can be seen, cap rates are down from a high in 2009 post-recession.



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04/11/2019

In general, the industrial market in the Puget Sound market is strong and this trend is anticipated to continue in the near to medium term.

Market Analysis - Aviation

General aviation is essentially all civilian flying with the exception of scheduled passenger airline service and general aviation aircraft constitute approximately 90% of aircraft registered in the United States. According to the FAA, general aviation contributes \$39 billion to the economy on an annual basis and 7.6 million jobs nationally. Washington State currently has the fourth highest number of based general aviation aircraft in the country, ranks 12th in the number of public and private use airports available, and 5th in the number of jobs created by general aviation on a state level.

(Source: Aircraft Owners and Pilots Association, State of General Aviation, 2019)

According to the FAA, the long-term outlook for general aviation is stable to optimistic, and an increase of 0.8% annually is expected for general aviation hours flown through the year 2038. Large and medium hub airports will see faster increases and more growth than small and non-hub airports due to the commercial nature of operations. Small and non-hub airport activity was up 0.8% in 2017 compared to the prior year. In general, the long-term outlook for general aviation is stable.

(Source: Federal Aviation Administration, Aerospace Forecasts, 2018)

Factual Data

Description of Auburn Municipal Airport

Auburn Municipal Airport, owned by the City of Auburn, encompasses roughly 110 acres and is located in downtown Auburn. Annual operations from the airport are approximately 164,539, which is the third highest in the region behind Sea-Tac and King County International (Boeing Field). The airport features a 3,400-foot-long by 75-foot-wide asphalt runway, capable of accommodating single-wheel planes up to 12,500 pounds. There is no control tower for the airport, but navigational aids include Visual Approach Slope Indicator (VASI) and Runway End Identifier Lights (REIL).

Runway length: 3,018 ft.

Runway width: 60 ft.

Airport elevation 242 ft.

Airport reference point (estimated): 47°19'39.7000"N / 122°13'36.0000" W

Runway material: Asphalt

Navigational aids: VASI/REIL

Elevation: 63 feet

Super AWOS information is available on frequency 122.8

(Source: Federal Aviation Administration – Form 5010)

Summary of Subject Property Characteristics

As noted elsewhere in this report, we have been tasked with providing an opinion of market rent for airport land by utilizing a representative parcel provided by the client.

Site Size:

According to our aerial estimate of the representative parcel provided to us by the client, the subject property consists of approximately 1.70 acres of level ground – all of which appears to be usable – and is located mid-runway with taxiway access.

Utilities:

All utilities are available to the site, including public water, electricity, telephone, and sewer.

Access:

Primary access to the subject is through 23rd Street NE – one of the airport's paved access roads.

Topography:

The subject's topography is level and is located at 63 feet above sea level.

Soils:

We were not provided with a soils report; however, according to the USDA web soil survey, the subject consists of Briscot silt loam. Briscot soils are very deep, poorly drained soils formed in recent alluvium on floodplains. Slopes are 0%-2%. They have very slow runoff and moderate permeability.

They are subject to occasional, brief flooding from November through April, and are typically drained and used for cropland.

Zoning/Land Use:

The subject property is owned by the City of Auburn and falls under its zoning jurisdiction. The subject is zoned Airport Landing Field District (LF). The LF zone intended to provide for the operation and management of Auburn Municipal Airport. Permitted uses include aircraft operations and businesses incidental to and necessary or convenient for airport operations, including offices, eating establishments, restrooms, hangars, shops for light repairs, gasoline and oil sales, and accessory structures. Surrounding the airport are light and heavy industrial zones, as well as commercial along Auburn Way N. and 15th Avenue NE.

Development Standards in the LF zone are as follows:

Minimum Lot Area: None

Minimum Lot Width: None

Minimum Lot Depth: None.

Maximum Lot Coverage: None

Maximum Building Height: 45 feet, except as otherwise restricted by FAA Part 77 (see below).

Minimum Yard Setbacks:

Front: 20 feet

Side (Interior): None

Side (Street): 15 feet

Rear: None

Assessed Value / Taxes:

Washington State requires that all real property be assessed at 100% market value. The subject property is owned by the City of Auburn and not subject to assessment or real property tax; however, airport lessees pay a 12.84% leasehold excise tax plus personal property taxes on privately-owned improvements.

Easements/Encumbrances

We have not been provided with a title report for the subject. Airport properties can be somewhat limited by an FAA-imposed height restriction setting height requirements that increase based upon distance from the centerline of the runway so as not to endanger flight-path patterns. The subject property is located within what the FAA refers to as a "Transitional Surface" area and it appears that the subject abuts the "Building Restriction Line" on its westerly border. (See FAA part 77).

"Transitional surface. These surfaces extend outward and upward at right angles to the runway centerline and the runway centerline extended at a slope of 7 to 1 from the sides of the primary surface and from the sides of the approach surfaces. Transitional surfaces for those portions of the precision approach surface which project through and beyond the limits of the conical surface, extend a distance of 5,000 feet measured horizontally from the edge of the approach surface and at right angles to the runway centerline." (Source: Federal Aviation Administration)

"Building Restriction Line" establishes areas on an airport where structures can be located in order to be compatible with airport operations. This line is established by measuring from the runway centerline in a perpendicular direction. As noted above, it does not appear that any portion of the subject property lies within the Building Restriction Line (established at 25 vertical feet) and height limitations for any potential structure on the subject property would be limited by the 7 to 1 ratio described above – providing for 1 foot in vertical height for every 7 horizontal feet extending outward from the centerline. Our estimates indicate that approximately one-half of the subject property would have an FAA-imposed height limitation lower than what is permitted by the underlying zone (45 feet). Please note that any such height restrictions are addressed in the aviation use adjustment below.

Property Utility

The subject property is located mid-runway, has direct access to the airfield and is considered to have good utility.

It is important to note that the sole focus of this assignment is the subject's underlying land. We have not evaluated value premiums for concrete hard stands or extraordinary site improvements.

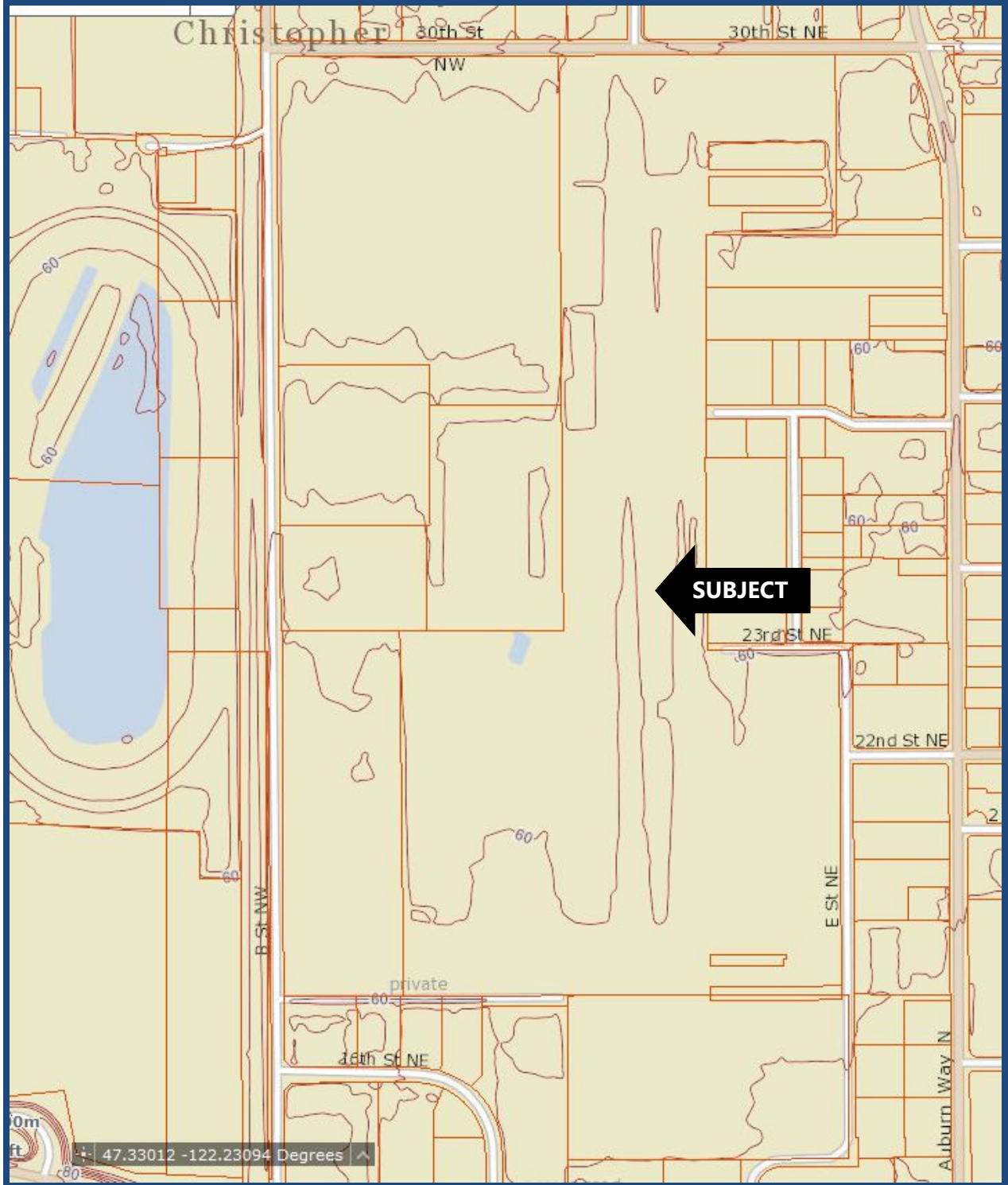
Existing Land Leases

There are existing ground leases for portions of the airport; however, the subject property is currently unleased.

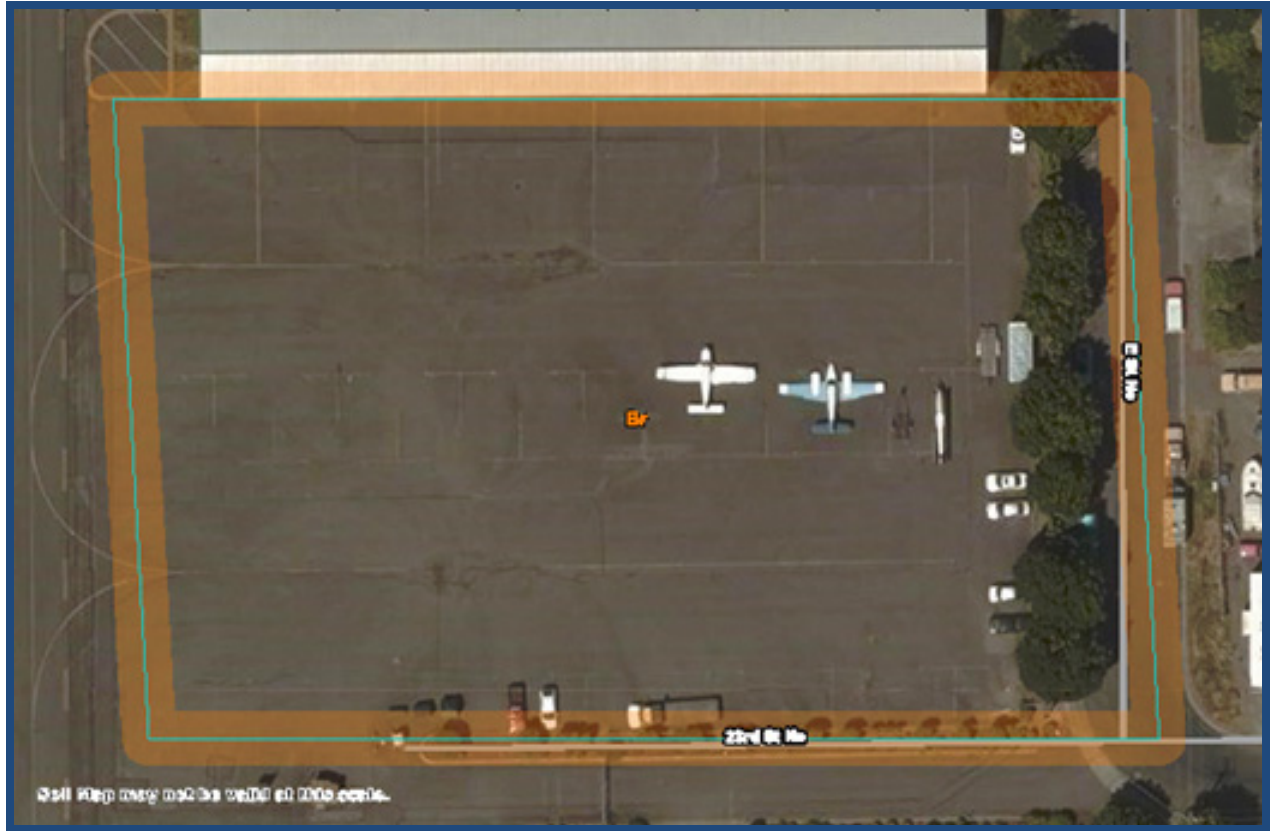
AERIAL MAP (REPRESENTATIVE PARCEL)



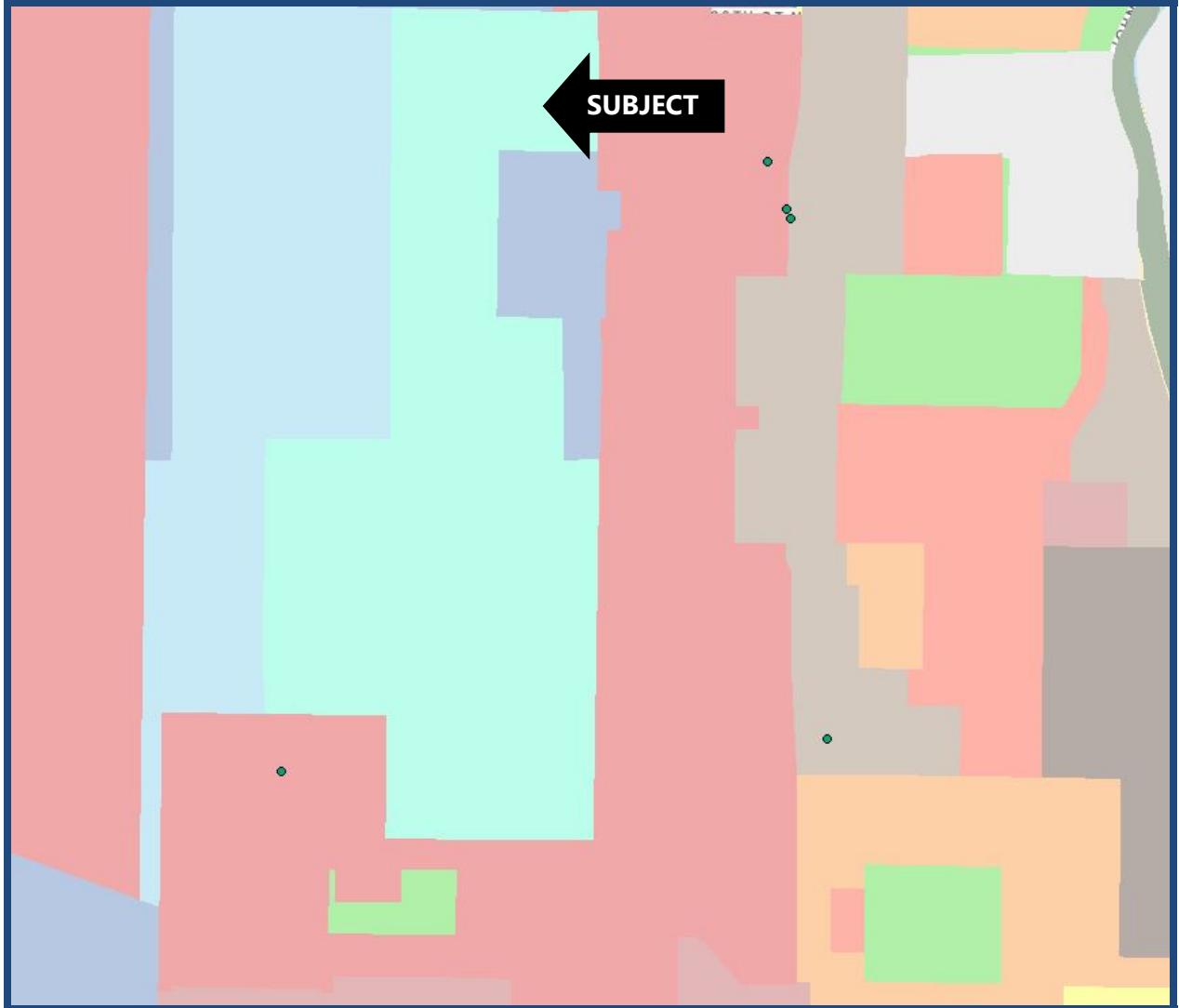
TOPOGRAPHY MAP

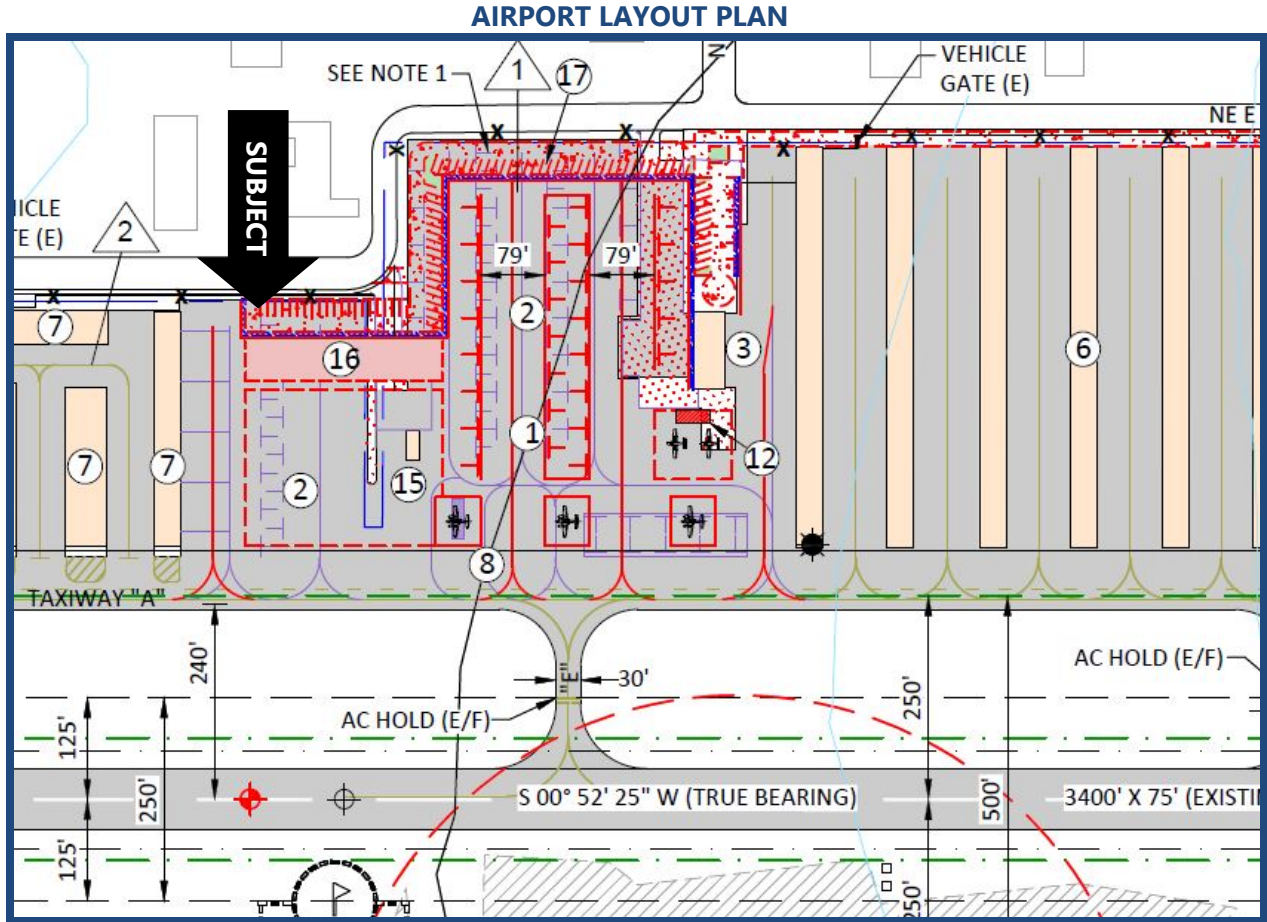


SOILS MAP



ZONING MAP





Please note that a more comprehensive airport layout plan can be found in the Addenda.

Highest and Best Use

Highest and best use is defined as:³

The reasonably probable use of property that results in the highest value..... To be reasonably probable, a use must meet certain conditions.

A determination of highest and best use is guided by the following parameters: 1) physically possible; 2) legally permissible; 3) financially feasible; and 4) maximally productive. Highest and best use is analyzed both on an as vacant and as improved basis.

Our analysis includes determining land values for the subject site located at Auburn Municipal Airport. A full analysis of the airport in its entirety, all airport buildings and their respective use is beyond the scope of this assignment. Further, our analysis excludes any consideration of existing improvements (site or otherwise) with respect to both the subject and any comparables. We have, however, assumed the representative parcel is serviced by public utilities. Given that the subject is a portion of, and operated in connection with a municipal airport, it is our opinion that the highest and best use of the existing improvements is for continued airport-related use.

³ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 332

Valuation Methodology

The valuation of airport land, as well as a conclusion of fair market rental, both require an analysis of the subject property, as well as other airports which offer similar services. In addition, we have analyzed land sales that have occurred in the area surrounding Auburn Municipal Airport.

Method 1: Sales Comparison Approach - Surrounding Off-Airport Land

The analysis of off-airport land sales is a widely used method of airport valuation. A series of adjustments must be made, which require subjective interpretation on the part of the appraiser. It is important to note that the types of uses surrounding the airport are industrial in nature and, therefore, are suitable for this type of comparative analysis.

Once an appropriate land value is concluded for each parcel, a rate of return is applied. This is derived in part from other airports, as well as the current rate of return at the subject.

Method 2: Direct Comparison – Airport Lease Rates

The next method of valuation is the comparable airport analysis. While we recognize that all airports are unique and therefore, not directly comparable, an analysis of pricing for similar services is certainly appropriate. Specific lease information and valuation techniques was reviewed and considered from similar airports nationwide.

Reconciliation and Application of Rental Rates

Once the various methods are reconciled, a final recommended rental rate is concluded based on the relative merits of each.

Method One - Off-Airport Land Analysis

This methodology analyzes land sales in the area surrounding the subject airport, applying adjustments for specific characteristics that differ from the subject. For our analysis, industrially-zoned land is considered most comparable, as it possesses the most similar characteristics; i.e., lot coverage and intensity of use and allowed uses. This type of land more closely reflects values of airport related users and their necessity for large sites and buildings to accommodate aircraft.

The enclosed chart summarizes relevant land sales occurring within the past several years. Complete details are included in the Addenda.

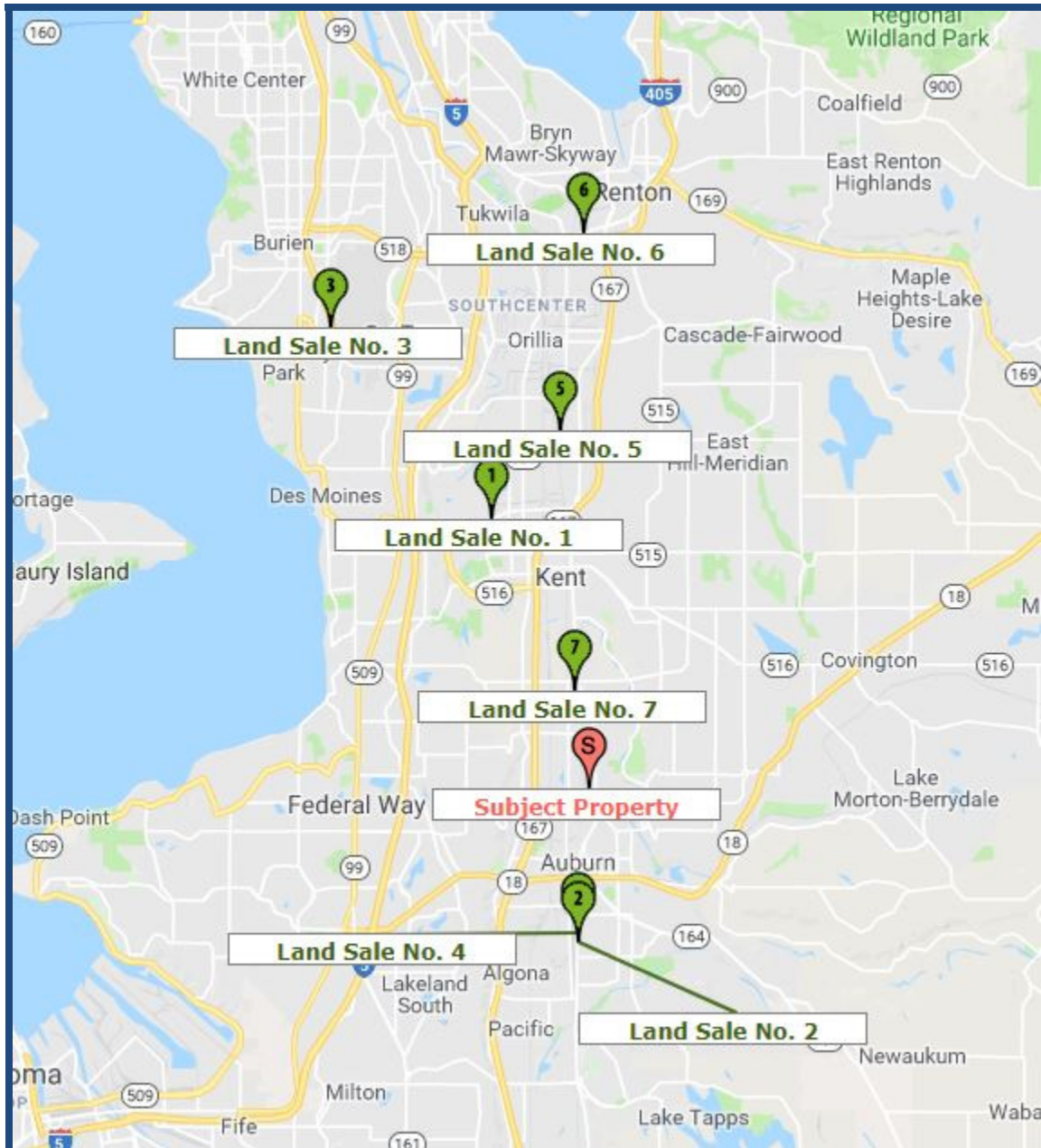
Discussion of Land Sales - Conclusion of Base Land Value

In order to arrive at the market value for the subject property, we have researched the Kent/Auburn industrial market for recent sales. Due to the nature of the subject property, it was necessary to expand our search criteria to include sales outside of the immediate neighborhood and in nearby industrial centers. Comparable sales were located and are summarized in the following table. The map on the following page indicates the location of the subject and the comparables.

Comparable Sales Chart Auburn Municipal Airport

ID	Name	City	Sale Date	Sale Price	Zoning	Usable Land/Size (ac)	Usable Land/Size (sf)	Price/sf	Imp. Contr.	Adj. Price of Land Only	Adj. price/sf of Land
1	Kent Industrial Site 5818 S 228th Street	Kent	Jan-19	\$1,250,000	M1	1.24	54,136	\$23.09	\$0	\$1,250,000	\$23.09
2	Heavy Commercial 2420 A Street	Auburn	Jan-19	\$355,000	C3	0.87	37,700	\$9.42	\$0	\$355,000	\$9.42
3	Burien Industrial 825 S 176th Street	Burien	Dec-18	\$915,000	I	1.32	57,499	\$15.91	\$0	\$915,000	\$15.91
4	Auburn Heavy Commercial 2204 A Street SE	Auburn	May-18	\$1,000,000	C3	1.72	74,984	\$13.34	\$0	\$1,000,000	\$13.34
5	Kent Industrial 7830 S. 206th Street	Kent	Mar-17	\$1,700,000	M2	2.61	113,692	\$14.95	\$0	\$1,700,000	\$14.95
6	Renton Industrial 620 SW 12th Street	Renton	Apr-17	\$289,000	IM	0.33	14,500	\$19.93	\$0	\$289,000	\$19.93
7	Auburn Industrial 21 49th Street NE	Auburn	Apr-17	\$990,000	M1	1.28	55,855	\$17.72	\$148,500	\$841,500	\$15.07
	Subject Property					1.70	74,052				

COMPARABLE SALES MAP



The following analysis refers to a fee simple property, with the Aviation related issues discussed following the base land value conclusion.

Discussion of Adjustments

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the

element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows.

Transactional Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the application of the market conditions and property adjustments, are discussed as follows.

As mentioned above, due to the nature of the available data, some of the sales had existing improvements and we have extracted the contributory value where appropriate to yield a price per square foot of the underlying land.

Analysis prices range from \$9.42 per square foot to \$23.09 per square foot; however, each sale requires adjustment for comparison. In comparison to the subject, the sales have been adjusted for difference in market conditions, location, amenities, and a variety of physical characteristics. Certain adjustments will be discussed in additional detail in this section. The first category of adjustments includes rights conveyed, market conditions (time), financing, and issues relating to the interests purchased. The subsequent category of adjustments reflects the physical features and locational differences.

Rights Conveyed relates to the actual interests transferred. In terms of the rights conveyed, all sales consisted of the transfer of fee simple interest and no adjustments were made. As noted above, aviation related issues will be discussed later in the report.

Conditions of Sale reflect adjustments for sales, which occurred under unusual and specific conditions. This category is different than the adjustment for time, which will be dealt with subsequently. No adjustments were warranted.

Financing adjustments are necessary for sales that were financed with atypical terms. This includes seller financing with non-market interest rates or abnormal down payment levels; the theory being that a comparable figure for use in appraisal analysis should reflect a cash-equivalent price, or a price that is in line with existing market terms at the time of sale. All of the comparable sales had typical of all cash financing, there for no adjustments were necessary.

In terms of adjustment support for time (*market conditions*), we have reviewed the market industrial property in the south Seattle area and have found that paired sales activity is extremely limited. Discussions with brokers, as well as our observations of market activity lead us to conclude that the pace of increase for similar properties to the subject has increased over the past few years and is still considered to be expanding. Average sales price for industrial land has increased approximately 15% per year since 2010. Market conditions from the 2017 time period are considered inferior to today, thus Comparables 3 through 6 received upward adjustments.

Property Adjustments

Property adjustments will be expressed qualitatively for differences reflected by the various characteristics of the property. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments, above. Physical characteristics, including differences in the location, size, site quality, access, and zoning or land use issues, are now discussed and associated adjustments are reflected in the chart as follows:

- Location:** Location adjustments can be somewhat subjective and have been made, when appropriate, to address differences in overall appeal, proximity to core retail services, and other amenities. Sales 1, 3, 5, and 6 are located in Kent, Burien, and Renton – each of which are locations considered superior to the subject. Downward adjustments were made to each of these sales. Sales 2 and 4 are each located in Auburn, but further out from the city center and received upward adjustments.
- Size:** The representative subject parcel contains approximately 1.70 acres, or 74,052 square feet. Adjustments are applied to each comparable, as appropriate, to address significant differences in parcel size (usable square feet), as compared to the subject property. Because these adjustments are made to unit price, and due to economies of scale, properties which are smaller than the subject receive a downward unit price adjustment, and conversely, significantly larger properties receive an upward unit price adjustment.
- Site Quality:** Site quality adjustments are also somewhat subjective and can include, but are not limited to variations in topography, shape, critical areas and easements (if not discussed separately) and overall appeal. The subject property is level and at grade with abutting streets with fair visibility and no critical areas. Sale 3 is irregular in shape and received an upward adjustment. Sale 7 is located in the 100-year floodplain and received an upward adjustment, as well.
- Utilities** No adjustments have been made for typical utilities as each property is considered to have access to all public utilities.
- Access:** Sale 1 has frontage along S. 228th Street and superior visibility. Overall, it is considered superior to the subject and received a downward adjustment. Sale 2 is located near the eastern terminus of Des Moines Memorial Drive S and is considered to have inferior access and visibility. It received an upward adjustment. Sale 5 has superior access and received a slight downward adjustment.
- Zoning/Land Use:** All of the sales are zoned for heavy commercial and industrial use and received no adjustment with the exception of sales 2 and 4 which do allow for residential uses. However, it is our understanding that each property sold to neighboring landowners with existing industrial uses in place; thus, the downward adjustments made are relatively minor. Aviation use limitations are addressed below.

The following adjustment chart is prepared relative to the subject.

Comparable Sales Adjustment Chart
Auburn Municipal Airport

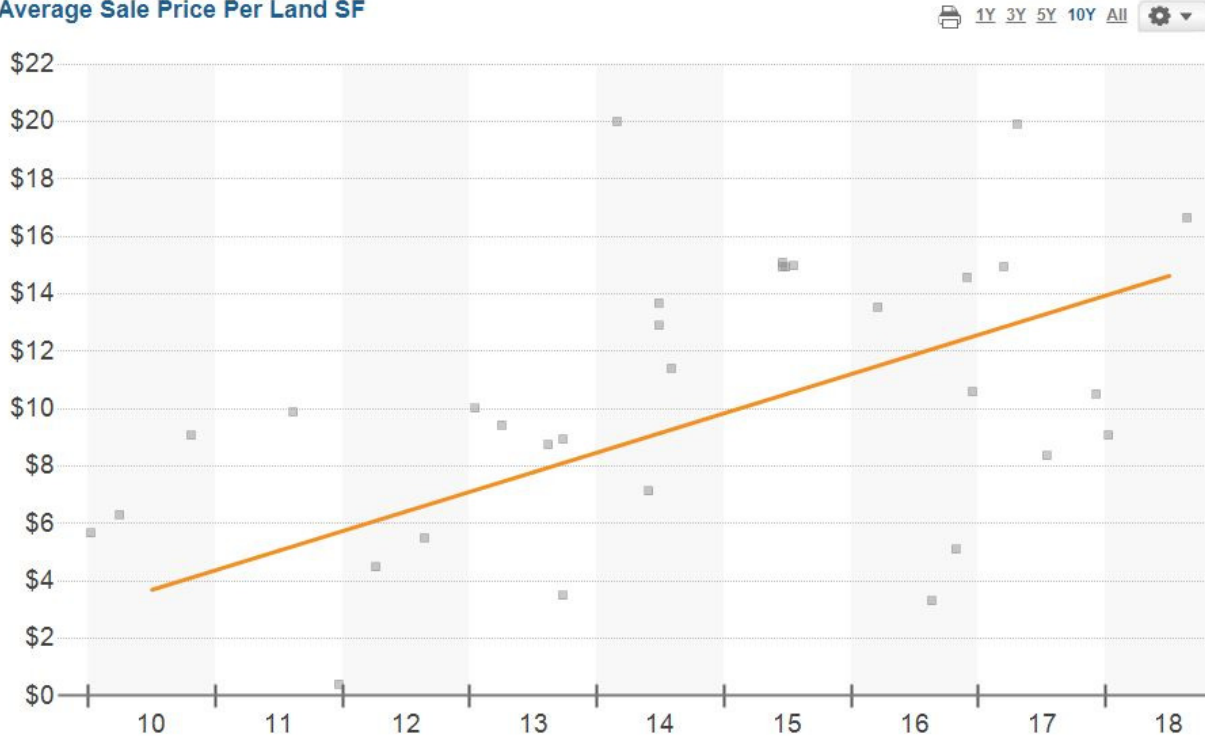
Comp	Price/ sf.*	Rights Conveyed	Condit. of Sale	Financ.	Markt Cond	Interim Indication	Location	Size	Physical Adjustments			Cumulative Indication	
									Topo/Shape Site Quality	Utilities	Access/ Visibility		Zoning
1	\$23.09	0	0	0	0	= \$23.09	Sup(-)	No Adj.	No Adj.	No Adj.	Sup(-)	No Adj.	Superior
2	\$9.42	0	0	0	0	= \$9.42	Inf(+)	No Adj.	No Adj.	No Adj.	No Adj.	Sup(-)	Inferior
3	\$15.91	0	0	0	0	= \$15.91	Sup(-)	No Adj.	Inf(+)	No Adj.	Inf(+)	No Adj.	Inferior
4	\$13.34	0	0	0	0	= \$13.34	Inf(+)	No Adj.	No Adj.	No Adj.	No Adj.	Sup(-)	Inferior
5	\$14.95	0	0	0	Inf(+)	> \$14.95	Sup(-)	Inf(+)	No Adj.	No Adj.	No Adj.	No Adj.	Inferior
6	\$19.93	0	0	0	Inf(+)	> \$19.93	Sup(-)	Sup(-)	No Adj.	No Adj.	Sup(-)	No Adj.	Superior
7	\$15.07	0	0	0	Inf(+)	> \$15.07	Inf(+)	No Adj.	Inf(+)	No Adj.	No Adj.	No Adj.	Inferior

*Improvement values (if applicable) have been extracted.

Sales 2, 3, 4, 5, and 7 are considered to be the *Inferior* indicators, while Sales 1 and 6 are considered *Superior*. The subject site is considered a fully serviced and graded property, similar to most comparable properties. Considering the sales data, physical attributes of the subject, and the strong market for industrial properties in the Auburn area, we conclude a base land value of **\$15.00** per square foot for the subject.

We acknowledge that our opinion of base land value is substantially higher than was concluded in Auburn Municipal's prior appraisal from 2014; however, it should be noted that the data available at that time consisted of recession-era land sales. Since that time, the Puget Sound region has experienced significant growth, and subsequently experienced increases to industrial land values – particularly as market participants continue to look outside of the increasingly unaffordable Duwamish, Georgetown and SoDo industrial centers of Seattle. The effect on industrial property in outlying areas such as Kent, Auburn, and Renton, as well as parts of Snohomish County, is an increase in demand for an otherwise unchanged supply resulting in significant increases in the average sales price per square foot of land. As shown on the graph below, the average sales price per square foot of industrial land outside of Seattle's core has steadily increased over the past 10 years at an average of 15% per year.

Average Sale Price Per Land SF



While demand for on-airport land does not necessarily increase at the same rate as industrial land, industrial property does serve as a proxy for airport land values and gives an indication of overall trends. Industrial land trends, coupled with a stable general aviation market as discussed above the base land value concluded above falls below the trendline in the graph above at an increase of 10% per year, non-compounded.

[Aviation Use and Land Lease Adjustment](#)

Since this report is intended to evaluate the property for rental rate purposes, it is appropriate to discuss the effects of any further limitations on use applicable to a Tenant. The following section discusses the potential application of adjustments for Lease Conditions and Aviation use limitations. The *Lease Conditions* adjustment is intended to reflect the unique limitations of an airport land lease, including the following:

- Lack of Benefits of land ownership (appreciation)
- Lack of potential purchase option
- Reversion of improvements to lessor or cost of demolition upon expiration
- Lack of subordination
- Difficulty in assigning lease interests
- Undetermined lease escalations

Combined, these factors can translate into increased risk or cost to the lessee. Some of the above factors may also apply to off airport land leases, and we are considering only those limitations

unique to airport leases. In consideration of all of the above, we have applied a 10% lease conditions adjustment to the base land value concluded above:

In addition, there are *Aviation use* restrictions applicable to the airside properties, which can include:

- Nature of use (typically aviation-oriented use required)
- Fewer potential users than the market as a whole (somewhat related to above)
- Potentially lower site coverage on airport sites (not a universal attribute)
- Access to aviation facilities (i.e.: use of runway, taxiway infrastructure)

The last point may be a limitation or benefit and is related to the overall airport characteristics. As demand for aviation properties increases, the likelihood also increases that such access would be perceived as a benefit, offsetting other limiting factors. The adjustment for such factors is considered particularly appropriate when airports have substantially different supply/demand characteristics than the land sales in the surrounding market area. In the case of Auburn Municipal, the airport has some on-airport land available for new development and expansion, though approximately one-half of it consists of wetlands and would require substantial site work prior to any portion of it being developable. The airport, though, is located in an urban area with little to no available land for expansion outside of the airport's existing footprint. In considering whether an aviation use adjustment is appropriate for the subject, it is necessary to consider whether, overall, demand for airport properties at Auburn Municipal is meets or even exceeds demand for standard industrial property in this marketing area. Some airports in the region are at capacity and such an adjustment may not be applicable; however, Auburn Municipal has yet to reach full capacity; thus, we have applied a 10% aviation use adjustment in addition to the lease conditions adjustment discussed above. This adjustment also considers that approximately one-half of the representative subject parcel has an FAA-imposed height restriction lower than that which is permitted by the underlying zone. Though on its westernmost side, the height limitation is 25 feet as compared to the 45 permitted under zoning, our discussions such limitations with airport managers and tenants, provide a common theme - that such limits translate into value impacts once highest and best use is affected. In the case of the subject site, 25 feet is suitable for construction of a building; albeit, smaller than would otherwise be allowed; however, the transitional surface impacts do not appear to impact the overall highest and best use of the site.

The aggregate adjustment for lease conditions and aviation use totals 20%. Based on these adjustment factors, the effective land value of the subject's representative parcel is as follows:

Effective Land Value Calculation

Land	Base Land Value	Lease Cond. Adj.	Aviation Use Adj.	Total Adj.	Effective Land Value
Representative Parcel - Serviced Land	\$15.00	10%	10%	20%	\$12.00

Market Rent - Land

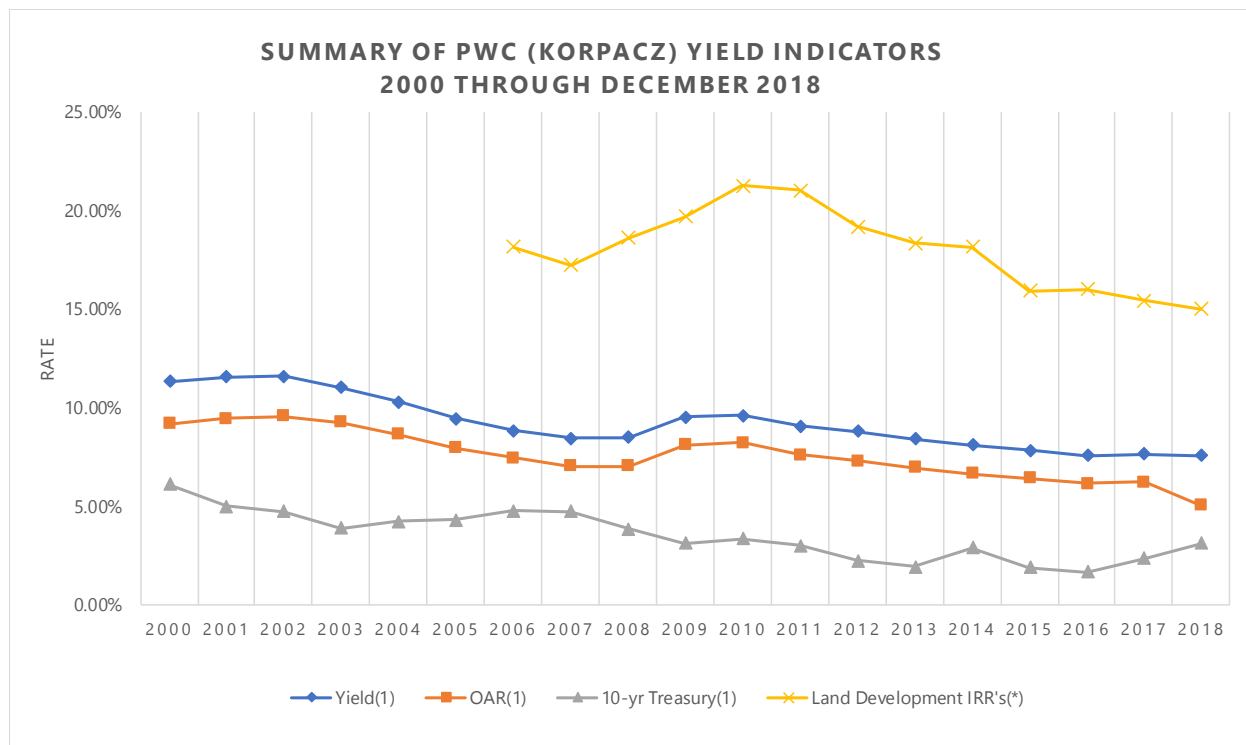
In order to obtain a rate that can be compared with our first approach, we must derive a rate from the airport land values concluded above. In estimating a fair rental rate, we have considered methods utilized at other airports. Typical lease terms are 20-50 years., with rate negotiations every three to five years. These leases are exclusive of the leasehold excise tax.

A review of the required rate for other airports can be found in the comparable airport data chart presented. The majority of airports surveyed utilize a rate of return based on appraised land value. The airports presented rates between 6.0% and 10.0% of appraised land value. The following chart breaks down the most recent rates, per our survey of other airports:

Rates of Return	
Airport	Rate
Anacortes	8.50%
Arlington	7.50%
Auburn	8.00%
Bellingham	9.00%
Bremerton	7.50%
King County International	7.50%
Olympia	6.00%
Paine Field	7.50%
Renton Municipal	7.50%
Skagit/Bayview	7.50%

As indicated by examining current lease rates of other airports in our previous approach, the required rate of return has largely been influenced by the overall economy which has been relatively strong over the past few years and appears to have recovered from the subprime mortgage collapse in the 2008-09 timeframe. Interest rates levels have been relatively consistent over the past few years. While the Airport rates in our survey reflect the most direct competition for the subject property, some of the rates are proscribed by the Airport authority, as opposed to being direct indicators of the market. Based on our interviews of airport managers, in most cases the rates are intended to reflect the market. For additional support of rates of return we will discuss market returns in the following section.

As additional insight to the overall interest rate picture, we have examined both the Overall Rates of Returns and Yield Rates for the period 2000 to 4th Quarter of 2018. We have researched PwC (formerly Korpacz), which is a nationally recognized Investor Survey Publication on a variety of real estate types. The following chart summarizes this information:



As can be seen by the chart, both the Overall Rates of Return and Yield Rates are experienced a relatively stable rate and modestly declining trend since 2008. The spread between the safe rate as indicated by the US Treasury notes, and the composite of market yield rates has held relatively steady. Real estate, being relatively illiquid, tends to react more gradually to periodic economic fluctuations; however, severe or prolonged downturns justify additional analysis.

These rates reflect broad categories of real estate and changes in rates among aviation facilities tend to occur more slowly, as demonstrated by regional airports over the past several years. The bulk of the rate data in the above also reflects yield rates, overall rates, and Treasury rates at the lower end of the risk spectrum. The periodic rental rate analysis here includes no reversionary interest in the property and therefore the OAR figures in the survey would establish a minimum rate level, all other things being equal. We are familiar with ground lease rates on industrial private properties throughout the region as well. These tend to fall in the range of 8% to 10% as well, with the lower rates involving long term lease arrangements with national credit tenants. With this in mind and given the range of rates provided by surrounding airports, we believe a rate of 7.5% is appropriate for this analysis. Thus, the following rental rate is estimated:

Concluded Rate - Off Airport Land Analysis

	Effective Land Value/sf	Rate of Return	Indicated Rate/sf/yr
Auburn Municipal Airport	\$12.00	7.50%	\$0.90

Method Two – Direct Airport Comparison

Regional Airports

We have conducted a study of other airports throughout the region. They arrange from smaller community airfields to larger regional airports. Auburn Municipal Airport falls into the General Aviation classification with characteristics typical of the medium or *municipal*-sized airports. This is a broad category, but common characteristics include tie down and T-Hangar aircraft storage, FBO facility, and a wide variety of aviation-oriented manufacturing or service companies. In our analysis, we directly compare the subject property to other airports, with our conclusion reflecting market rental rates for Auburn Municipal Airport land. The largest airport in the region is Seattle-Tacoma International Airport (Sea-Tac), which allows international connections, and is followed by King County International Airport (KCIA). Both are located in the core Seattle area, however, neither are considered to be comparable to Auburn Municipal and have been excluded from our direct airport comparison. Also nearby is Renton Municipal Airport which is a designated reliever airport for both Sea-Tac and KCIA, and the subject which is southeast of Seattle. Farther out from the Seattle area are regional airports such as Arlington Airport, Skagit/Bayview, Bellingham, and Paine Field to the north, and Tacoma Narrows, Thun Field, and Olympia Airport to the south. We have included pertinent information relating to several of the Puget Sound's regional airports as compared to Auburn Municipal, which we anticipate will continue to support general aviation and small, corporate users.

Summary of Selected Northwest Airports

Airport

Arlington Airport

Auburn Municipal

Bellingham

Bremerton

Olympia

Paine Field

Renton Municipal

Skagit/Bayview

Tacoma Narrows

Thun Field

The airports vary in terms of navigational aids such as precision/non-precision approaches. Generally speaking, however, the busier airports support more sophisticated navigational technology. A summary of this information can be found in the following chart:

Aircraft Operations

Summary of Runway/Navigational Characteristics

Airport	Runway Length	Runway Width	Tower	Approach
Arlington Airport	9,426	150	No	NonPrec. Instr.
Auburn Municipal	3,400	75	No	NonPrec. Instr.
Bellingham	4,157	150	Yes	Precision
Bremerton	6,000	150	No	Precision
Olympia	6,701	150	Yes	Precision
Paine Field	5,382	200	Yes	Precision
Renton Municipal	4,504	75	Yes	NonPrec. Instr.
Skagit/Bayview	3,000	60	No	NonPrec. Instr.
Tacoma Narrows	5,002	100	Yes	Precision
Thun Field	3,650	60	No	NonPrec. Instr.

Source: Federal Aviation Administration - Form 5010-1

As shown above, Auburn Municipal's facilities are somewhat limited as compared to a number of alternatives in the Puget Sound Region, though we understand that Auburn Municipal is seeking to extend its runway by acquiring a 1.58-acre portion of a parcel abutting the airport on its southerly property line. The opinion of market rent provided in this report reflects the condition and attributes of the airport as was current on the date of inspection. It does not consider the prospective extension.

The following chart includes a summary of the aforementioned airports' size and operations data. As shown below, Auburn Municipal Airport is the smallest airport in terms of acreage and yet the third highest in terms of annual operations. Its ratio of operations to acreage is the highest among the included airports.

Aircraft Operations

Summary of Selected Northwest Airports

Airport	Land Size (ac.)	Annual Operations	Average Daily Operations	Operations Per Acre
Olympia	1,632	43,071	118	26.39
Tacoma Narrows	644	53,276	146	82.73
Skagit/Bayview	1,847	61,900	170	33.51
Bremerton	1,729	66,000	181	38.17
Bellingham	2,190	74,401	204	33.97
Thun Field	200	100,000	274	500.00
Paine Field	1,315	115,201	316	87.61
Renton Municipal	168	122,908	337	731.60
Arlington Airport	1,200	133,552	366	111.29
Auburn Municipal	110	164,539	451	1495.81

Effective: March 2019

Source: Federal Aviation Administration - Form 5010-1

As shown, Auburn Municipal's operations are highest among the region's general aviation airports, and most other airports are considerably larger with more available land to develop. As noted above, Auburn Municipal is seeking to expand its runway; however, its urban location, surrounding development and infrastructure, renders further runway expansion extraordinarily difficult. Other airports in the urban Seattle area which lack available land for expansion include Sea-Tac, KCIA (Boeing Field), and Renton Municipal, though each of these airports is also currently at capacity.

Many of the greater Puget Sound airports reported a reduction in annual operations after 2000, which can be attributed to several factors including the Boeing downturn following 9/11, which impacted Renton Municipal, KCIA and Paine Field more than the outlying locations. Paine Field recently commenced limited commercial service with 24 daily flights and a new passenger terminal on-airport.

In general, airports with closer-in, urban locations generally reflect higher tenant rates – likely a result of higher land values and demand. Overall occupancy levels at airports regionally are relatively strong with all of the airports surveyed indicating t-hangar waitlists of 1 year or more.

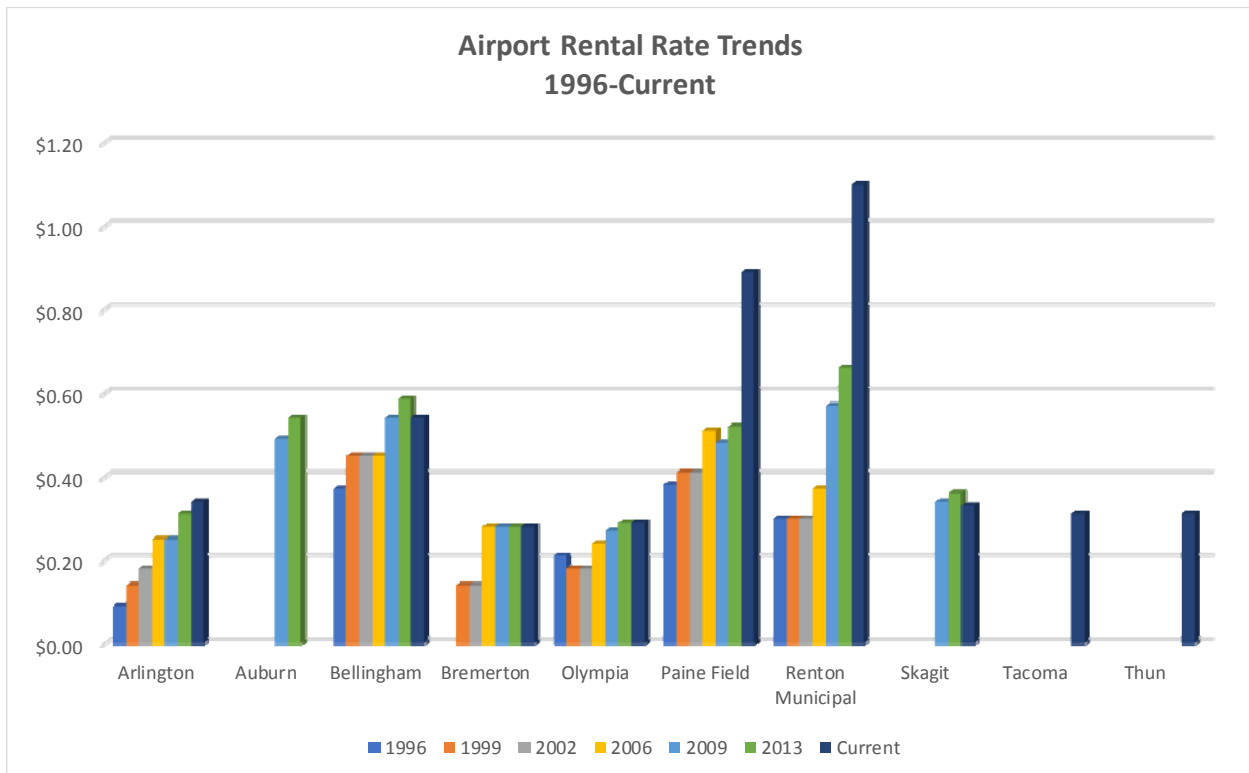
Airport Survey

Based upon our survey, the following ground lease rates are being collected at airports throughout the region:

Current Ground Lease Rates

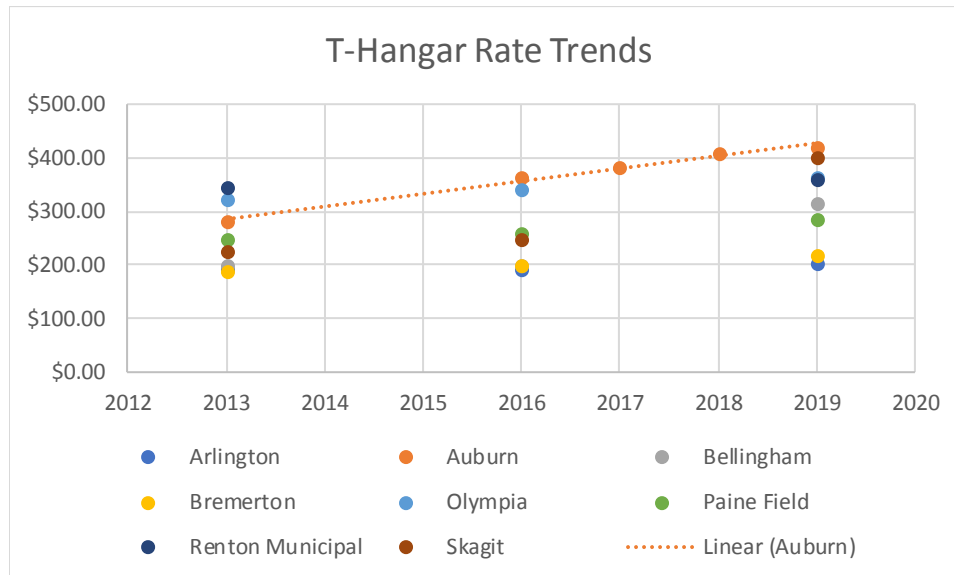
Airport	Current Ground Rent
Arlington Airport	\$0.34
Bellingham	\$0.54
Bremerton	\$0.28
Olympia	\$0.29
Paine Field*	\$0.89
Renton Municipal*	\$1.10
Skagit/Bayview	\$0.33
Tacoma Narrows	\$0.25-\$1.69
Thun Field	\$0.25-\$1.69

**Recommended rate*



As shown, airport ground lease rates in the Puget Sound region reflect a general upward trend since the 1996 timeframe with the most significant increases coming at more urban airports in or near Seattle. Established land rates at these regional airports range between a low of roughly \$0.25 per square foot and \$1.10 per square foot, though it's important to note that many airports in the region are currently in the process of obtaining appraisals for the purpose of bringing 3-to-5-year-old ground rents current. As noted in the chart above, rates for Paine and Renton Municipal reflect the recommended rate.

Another consideration is t-hangar rate trends. With respect to general aviation facilities, the typical private user seeking airplane storage is an important component in determining demand at airports. Currently, each of the airports surveyed reports 100% occupancy for t-hangar space, and waiting lists typically ranging from 1 to 3 years. As a result of the high demand for t-hangars, rental rates have generally increased over the past 5 to 6 years. The following chart identifies t-hangar rate trends over the 2013-2019 time period:



Below are the current t-hangar rates produced by our survey, exclusive of leasehold excise tax:

Current T-Hangar Rates

Airport	2019 T-Hangar Rates	Wait List
Arlington	\$202.87	Y
Auburn	\$217.00 - \$480	Y
Bellingham	\$311.59	Y
Bremerton	\$216.52	Y
Olympia	\$253.28-\$366.45	Y
Paine Field	\$282.16 - \$436.30	Y
Renton Municipal	\$358.91	Y
Skagit/Bayview	\$398.02	Y

**Excludes Leasehold Excise Tax*

The information above supports the conclusion that demand for airport property remains strong and supportive of rental rate increases overall.

General Location

In an effort to evaluate the overall locational characteristics of the airports in our survey, we have considered the purchasing power, or the total household income within defined boundaries surrounding each airport. These are summarized in the following chart.

Demographics of Regional Airports

Description	Auburn Muni <i>Auburn</i> Washington	Arlington <i>Arlington</i> Washington	Bellingham Int'l <i>Bellingham</i> Washington	Bremerton Nat'l <i>Belfair</i> Washington	Olympia Regional <i>Olympia</i> Washington
2018 Households:					
<i>1-Mile Ring</i>	4,704	944	66	18	2,422
<i>3-Mile Ring</i>	27,336	10,638	11,220	938	15,829
<i>5-Mile Ring</i>	93,700	19,352	29,024	4,746	45,034
2018 Med HH Income (1 mile ring)	\$51,735	\$84,963	\$55,000	\$91,666	\$39,650
2018 Med HH Income (3 mile ring)	\$66,009	\$71,038	\$51,553	\$76,221	\$68,852
Market Size (1 mile ring)	\$243,361,440	\$80,205,072	\$3,630,000	\$1,649,988	\$96,032,300
Market Size (3 mile ring)	\$1,804,422,024	\$755,702,244	\$578,424,660	\$71,495,298	\$1,089,858,308
2018 Population (3 mile ring)	73,960	29,157	25,434	2,565	38,424
Traffic Counts (Average Daily Primary Arterial)	22,809	17,550	58,405	16,000	15,290
Density (3 mile ring) (population per acre)	16.36	6.45	5.62	0.57	8.50
Purchasing Power (1 mile ring)	\$484,784	\$159,771	\$7,231	\$3,287	\$191,299
Purchasing Power (3 mile ring)	\$399,032	\$167,117	\$127,913	\$15,811	\$241,012

Description	Auburn Muni <i>Auburn</i> Washington	Paine Field <i>Everett</i> Washington	Renton Muni <i>Renton</i> Washington	Skagit/Bayview <i>Burlington</i> Washington	Tacoma Narrows <i>Gig Harbor</i> Washington
2018 Households:					
<i>1-Mile Ring</i>	4,704	1,415	5,376	3	696
<i>3-Mile Ring</i>	27,336	41,605	40,724	1,777	19,036
<i>5-Mile Ring</i>	93,700	90,734	94,059	8,061	55,522
2018 Med HH Income (1 mile ring)	\$51,735	\$76,228	\$70,228	\$99,999	\$98,620
2018 Med HH Income (3 mile ring)	\$66,009	\$65,164	\$78,552	\$88,523	\$67,530
Market Size (1 mile ring)	\$243,361,440	\$107,862,620	\$377,545,728	\$299,997	\$68,639,520
Market Size (3 mile ring)	\$1,804,422,024	\$2,711,148,220	\$3,198,951,648	\$157,305,371	\$1,285,501,080
2018 Population (3 mile ring)	73,960	105,161	104,010	4,503	43,117
Traffic Counts (Average Daily Primary Arterial)	22,809	27,920	16,200	1,422	7,075
Density (3 mile ring) (population per acre)	16.36	23.26	23.00	1.00	9.53
Purchasing Power (1 mile ring)	\$484,784	\$214,866	\$752,083	\$598	\$136,732
Purchasing Power (3 mile ring)	\$399,032	\$599,546	\$707,420	\$34,787	\$284,277

As shown, the market area surrounding Auburn Municipal Airport falls between Renton Municipal and Paine Field which represent the upper end and the current and Olympia Regional Airport and Tacoma Narrows. This information, while not necessarily aviation related, does provide a comparative measure regarding the overall size of the surrounding markets of each respective comparable.

Rate Conclusion – Direct Airport Comparison Approach

All of the airports in the survey had an appraisal-based rate structure, with some basis in surrounding property value. Once land values are determined or agreed upon at the various airports, the application of the rates is the next factor to be considered. In some cases, the estimated land rate, if based on surrounding land sales, may reflect some form of discount for inherent airport restrictions. Since this approach to value involves direct comparison with other airports, we assume that the effect of these factors is reflected in the rates being charged. Among the various airports, some

differentiate between a rate for parcels with taxiway/runway access and those without. This is a function of the types of uses on the airport, as well as airport policy and the demand for land. Bremerton's ground lease rate has remained stagnant for a number of years, and conversations with its manager indicate potential construction of an additional apron and taxiway and development of corporate hangar pad sites which they project will be leased at \$0.29 per square foot. Paine Field currently has very little vacancy with close to 99% occupancy and recently began commercial service. Paine Field has historically demonstrated stepped increases, similar to other airports in the region; however, in terms of ground lease rates, it has generally been below Renton and other airports close-in to Seattle proper.

Unlike Auburn Municipal, Renton has a relatively limited supply of surrounding land available for development. This already limited land supply will decrease as otherwise usable land is lost due to a recent FAA reference code change. The airport's master plan involves coming into compliance with this new classification, and subsequent expansion of its ROFA (Runway Object Free Area). In addition, its proximity to Seattle makes it an attractive location for the growing light jet and turbo prop market. Auburn Municipal has generally demonstrated lower ground lease rates than nearby Renton Municipal. It is our opinion that Renton remains better positioned due to proximity to Seattle and the scarcity of land available for on-airport development.

Airports further out such as Arlington, Bremerton, Skagit and Tacoma Narrows are considered inferior to Auburn Municipal. In general, each airport is unique which results in some challenges with respect to a direct airport analysis. As noted above, industrial land values continue to increase approximately 15% per year. It should also be acknowledged that the land sales data available for a 2014 appraisal would consist of properties which sold in the height of the Great Recession, at significantly lower rates than what one would find in today's market with strong industrial values and a robust economy. Recommended increases for both Renton Municipal and Paine Field are significant, being \$1.10 and \$0.893 per square foot, respectively. Auburn is clearly inferior to Renton Municipal, and although Paine Field recently commenced with limited commercial service, the surrounding industrial land values in that area are similar to Auburn. In consideration of the above, a rental rate of \$0.80 is concluded here.

Summary and Conclusion of Value

The following rental rate is concluded for the subject land:

Method One - Off-Airport Land Analysis:	\$0.90/sf/yr
Method Two - Direct Airport Comparison:	\$0.80/sf/yr

Two methodologies were researched and produced meaningful data for credible analysis. The subject is situated in a strong location, with strong demand in recent years. The limitations for Method One include adjustments made to address the differences in permitted uses between standard Industrial land and those allowed on the airport, as well as an adjustment for leasehold conditions which is made to address the unique limitations of an airport land lease and lack of many benefits of fee ownership. Given that several comparable airports are currently in the process of updating ground rental rates, primary emphasis has been placed on the off-airport analysis, with support from the Direct Airport Comparison approach. Considering all of the above and acknowledging the uncertainty of pending increases at other airports in the region, a ground rental rate of \$0.825 per square foot of land is considered reasonable. This represents an average annual increase of 10% per year and remains below the average annual increase in value for industrial land in this market. Although the concluded rental rate in this report represents a significant increase over the airport's previous appraised value, its previous appraisal was completed in 2014 utilizing recession-era sales data. It is reasonable to conclude that a current appraisal using current sales data driven by a strong economy would result in higher nearby land values, which can also be expected to reflect on aviation property to some degree.

With this in mind, the concluded rental rate for the subject is as follows:

Conclusion of Value	
	Per SF/Year
Auburn Municipal Airport	\$0.825

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Puget Sound will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Puget Sound is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and

anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Puget Sound and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Puget Sound.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless

otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of

the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.

25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and 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 substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.
35. You and Valbridge Property Advisors | Puget Sound both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Puget Sound and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Puget Sound or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Puget Sound for this assignment, and under no circumstances shall any claim for consequential damages be made.

36. Valbridge Property Advisors | Puget Sound shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Puget Sound. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Puget Sound and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Puget Sound harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Puget Sound in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Valbridge Property Advisors | Puget Sound. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification of Value

I, the undersigned, do hereby certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report and upon which the opinions herein are based are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions
- I have no interest, either present or prospective in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the subject property, or to the parties involved.
- My engagement in this assignment was in no way contingent upon developing or reporting predetermined results, nor was it based on a requested minimum valuation, a specific value, or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- I have not performed valuation or consulting services on this property in the past three years.
- I have made a personal inspection of the subject property.
- No one provided significant real property appraisal assistance to the person signing this certification, with the exception of the person(s) shown on additional certification(s), if enclosed.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated member of the Appraisal Institute.



S. Murray Brackett, MAI
State Cert. #27011-1100853

Certification of Value

I, the undersigned, do hereby certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report and upon which the opinions herein are based are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions
- I have no interest, either present or prospective in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the subject property, or to the parties involved.
- My engagement in this assignment was in no way contingent upon developing or reporting predetermined results, nor was it based on a requested minimum valuation, a specific value, or the approval of a loan.
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- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- I have not performed valuation or consulting services on this property in the past three years.
- I have made a personal inspection of the subject property.
- No one provided significant real property appraisal assistance to the person signing this certification, with the exception of the person(s) shown on additional certification(s), if enclosed.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Christina J. Lovell
State Cert. #27011-1001951

Addenda

Subject Photos

Full Airport Layout

Comparable Land Sales Data

Qualifications

- S. Murray Brackett, MAI
- Christina J. Lovell, Associate

Subject Photographs



Representative parcel



Open hangars



Typical hangar building



Tie downs



East side of airport facing north



Facing east

Addition view facing north



Land available for development – southeast corner



Full Airport Layout

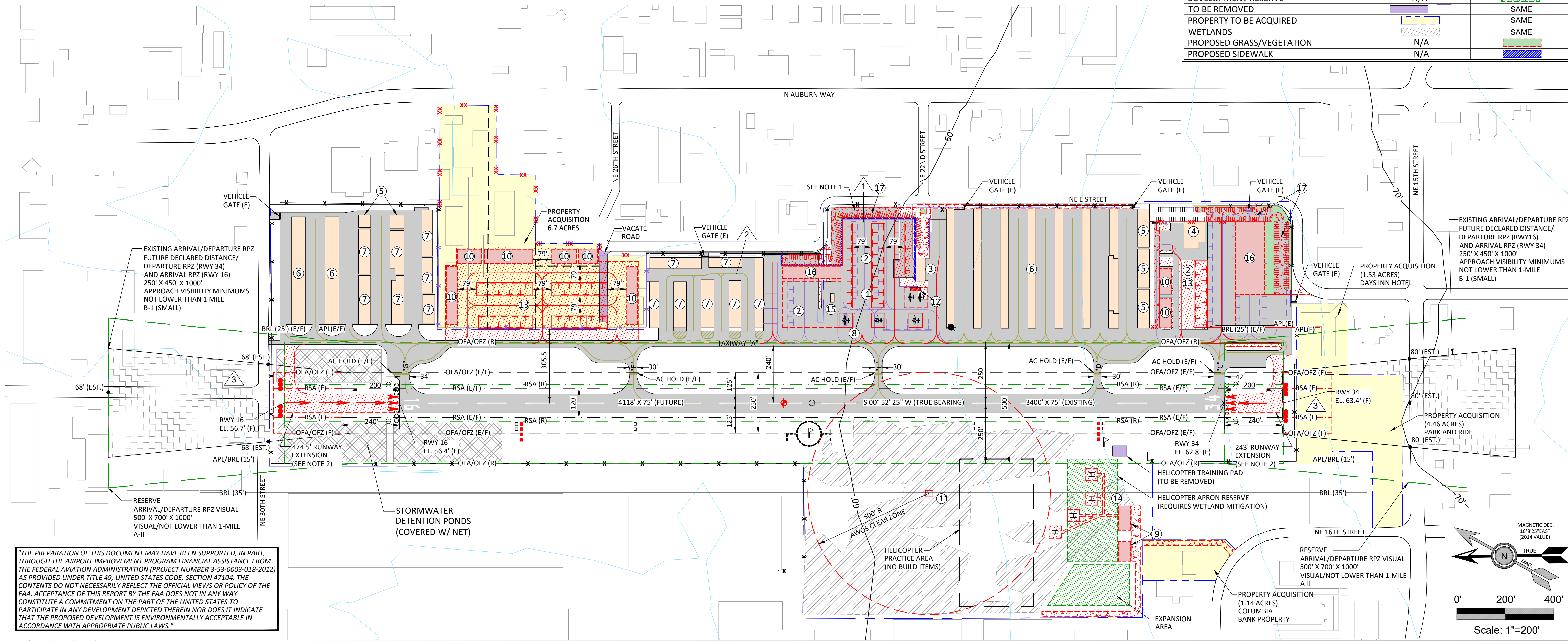
AUBURN MUNICIPAL AIRPORT
ADDENDA

BUILDING/FACILITY KEY	
NO.	DESCRIPTION
1	TERMINAL / FBO APRON
2	SMALL AIRCRAFT TIEDOWN APRON (EXISTING)
3	BUILDING "506" AIRPORT MANAGER OFFICE (CITY OWNED)
4	AUBURN FLIGHT SERVICE FBO HANGAR (EXISTING)
5	TENANT OWNED CONVENTIONAL HANGAR (EXISTING)
6	CITY OWNED T-HANGAR (EXISTING)
7	TENANT OWNED T-HANGAR/EXECUTIVE HANGAR (EXISTING)
8	AVIATION FUEL STORAGE/ SELF FUELING AREA (EXISTING)
9	AVIATION USE BUILDINGS (FUTURE)
10	CONVENTIONAL HANGAR (FUTURE)
11	AWOS (FUTURE)
12	AIRCRAFT FUEL APRON (FUTURE)
13	AIRCRAFT PARKING APRON (FUTURE)
14	HELICOPTER PARKING POSITION (FUTURE)
15	OFFICE (EXISTING)
16	AIRPORT FBO/COMMERCIAL BUILDING (FUTURE)
17	VEHICLE PARKING (FUTURE)

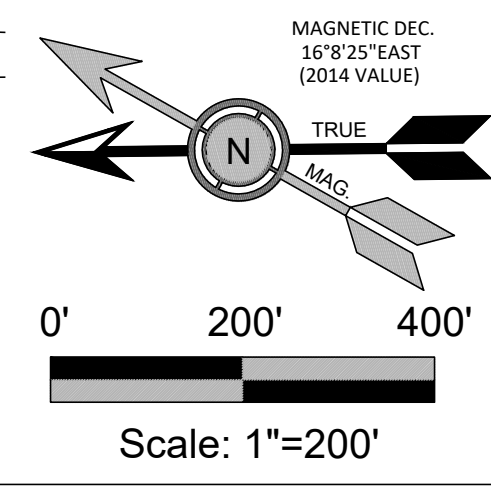
- NOTES:**
- SEE TERMINAL AREA PLAN DRAWINGS (SHEETS 4 AND 5) FOR DETAILS ON FUTURE APRON CONFIGURATIONS.
 - FUTURE RUNWAY LENGTHS AVAILABLE FOR TAKEOFF AND LANDING WILL BE LIMITED BY DECLARED DISTANCES (TO BE PUBLISHED A/F/D). ADDITIONAL USEABLE RUNWAY PROVIDED BY BOTH ENDS TO BE CONFIGURED WITH DISPLACED THRESHOLDS.
 - THE EXISTING ARRIVAL/DEPARTURE RUNWAY PROTECTION ZONES (RPZ) FOR RUNWAY 16 AND 34 WILL BE MAINTAINED IN THEIR CURRENT LOCATIONS. THE END OF USEABLE RUNWAY FOR TAKEOFF WILL BE DETERMINED BY THE LOCATIONS OF THE EXISTING DEPARTURE RPZ FOR EACH RUNWAY END. DEPARTURE RPZ CONFIGURATIONS DETERMINED BY USE OF DECLARED DISTANCES TO MITIGATE UNACCEPTABLE INCOMPATIBLE LAND USES (PER AC 150/5300-13A).
 - ARC A-II RSA & OFA RESERVES DEPICTED FOR REFERENCE.
 - A-II RESERVE RPZ (500' X 700' X 1000') DEPICTED FOR REFERENCE. CONTINUED USE OF "SMALL AIRPLANES EXCLUSIVELY" RPZ (250' X 450' X 1000') SHOULD BE CONSIDERED FOR TYPICAL A-II SINGLE ENGINE TURBOPROPS (<12,000).
 - PROPERTY ACQUISITION APPROXIMATELY 13.83 ACRES TO BE PURSUED AS PARCELS AND FUNDING BECOME AVAILABLE.

NON STANDARD CONDITIONS			
NO.	ITEM	DESCRIPTION	DISPOSITION
1	TAXILANE OFA	CLEARANCE TO PARKED AIRCRAFT LESS THAN STANDARD	RECONFIGURE APRON
2	TAXILANE OFA	CLEARANCE TO ADJACENT HANGAR LESS THAN STANDARD	USE FAA ALTERNATIVE TAXILANE OFA CLEARANCE STANDARD BASED ON MAX AC WINGSPAN
3	OFA / OFZ / RSA	AREA PROVIDED BEYOND RUNWAY ENDS LESS THAN ADG I STANDARD	DISPLACED THRESHOLDS AND DECLARED DISTANCES USED TO PROVIDE STANDARD DIMENSIONS BEYOND RUNWAY ENDS FOR SPECIFIC OPERATIONS

LEGEND		
	EXISTING	FUTURE
BUILDINGS	[Symbol]	[Symbol]
AIRFIELD PAVEMENT	[Symbol]	[Symbol]
BUILDING RESTRICTION LINE (BRL)	BRL (E)	BRL (F)
AIRCRAFT PARKING LINE (APL)	APL (E)	APL (F)
AIRPORT PROPERTY LINE	[Symbol]	[Symbol]
RUNWAY SAFETY AREA (RSA)	[Symbol]	[Symbol]
OBJECT FREE AREA (OFA)	[Symbol]	[Symbol]
OBSTACLE FREE ZONE (OFZ)	[Symbol]	[Symbol]
TAXIWAY OBJECT FREE AREA (TOFA)	[Symbol]	[Symbol]
RUNWAY PROTECTION ZONE (RPZ)	[Symbol]	SAME
GROUND CONTOURS	10'	SAME
AIRPORT REFERENCE POINT (ARP)	[Symbol]	[Symbol]
RUNWAY END IDENTIFIER LIGHTS (REIL)	[Symbol]	SAME
VISUAL GUIDANCE INDICATORS	[Symbol]	[Symbol]
WIND INDICATOR	[Symbol]	SAME
SEGMENTED CIRCLE WIND INDICATOR	[Symbol]	SAME
FENCE	[Symbol]	[Symbol]
BEACON	[Symbol]	SAME
THRESHOLD LIGHTS	[Symbol]	[Symbol]
ACCESS ROAD/VEHICLE PARKING	N/A	[Symbol]
AVIGATION EASEMENT	[Symbol]	SAME
DEVELOPMENT RESERVE	N/A	[Symbol]
TO BE REMOVED	[Symbol]	SAME
PROPERTY TO BE ACQUIRED	[Symbol]	SAME
WETLANDS	[Symbol]	SAME
PROPOSED GRASS/VEGETATION	N/A	[Symbol]
PROPOSED SIDEWALK	N/A	[Symbol]



"THE PREPARATION OF THIS DOCUMENT MAY HAVE BEEN SUPPORTED, IN PART, THROUGH THE AIRPORT IMPROVEMENT PROGRAM FINANCIAL ASSISTANCE FROM THE FEDERAL AVIATION ADMINISTRATION (PROJECT NUMBER 3-53-0003-018-2012) AS PROVIDED UNDER TITLE 49, UNITED STATES CODE, SECTION 47104. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICY OF THE FAA. ACCEPTANCE OF THIS REPORT BY THE FAA DOES NOT IN ANY WAY CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT DEPICTED THEREIN NOR DOES IT INDICATE THAT THE PROPOSED DEVELOPMENT IS ENVIRONMENTALLY ACCEPTABLE IN ACCORDANCE WITH APPROPRIATE PUBLIC LAWS."



NO.	DATE	BY	APPR	REVISIONS

VERIFY SCALES
 BAR IS ONE INCH ON ORIGINAL DRAWING. 0" IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

FEDERAL AVIATION ADMINISTRATION APPROVAL
 APPROVAL DATE: _____
 SIGNATURE _____

CITY OF AUBURN APPROVAL
 APPROVAL DATE: _____
 SIGNATURE _____

CENTURY WEST ENGINEERING CORPORATION

BEND OFFICE
 1020 SW EMKAY DRIVE #100
 BEND, OR 97702
 541.322.8962
 541.382.2423 (FAX)
 WWW.CENTURYWEST.COM

DESIGNED BY: DM DRAWN BY: JLS CHECKED BY: WMR SCALE: AS SHOWN
 DATE: MAY 2015 PROJECT NO: 12446001.01

AUBURN MUNICIPAL AIRPORT

AIRPORT LAYOUT PLAN

FIGURE NO. -
 SHEET NO. 3 OF 12



Comparable Land Sales Data

LAND SALE NO. 1



Property Identification

Property ID	10928239
Property Type	Industrial Land
Property Name	Kent Industrial
Address	5818 S. 228th Street
City, State Zip	Kent, Washington 98032
County	King
Tax ID	1422049025
Latitude and Longitude	47.395552 -122.261442

Sale Data

Seller	Tukwila Enterprises
Buyer	Kent 5818 LLC
Sale Date	01-02-2019
Sale Price	\$1,250,000
Analysis Price	\$1,250,000
Deed Type	Statutory Warranty Deed
Reference No.	20190104000731
Property Rights Transferred	Fee Simple
Verified By	Christina Lovell
Verification Date	04-29-2019

Land Data

Land Size	1.24279 acres or 54,136 SF
Topography	Level
Front Footage	120.00
Utilities	Access to all public utilities
Shape	L-Shaped
In Flood Plain?	No



Zoning Code M1 Manufacturing

Indicators

Analysis Price/Gross Acre \$1,005,801 per Acre

Analysis Price/Gross SF \$23.09 per SF

Analysis Price/Front Foot \$10,416.67

Property Remarks

This is the sale of 1.24 acres of M1-zoned land in Kent. It is an L-shaped parcel with frontage along S. 228th Street. It sold for \$1,250,000, or \$23.09 per square foot of land. Verification attempts have been unsuccessful to date.

Comp ID No. 10928239

LAND SALE NO. 2



Aerial View



Ground View

Property Identification

Property ID	10915346
Property Type	Commercial Land
Property Name	Commercial Lot
Address	2420 A Street SE
City, State Zip	Auburn, Washington 98002
County	King
Location Description	south of Hwy 18 and east of SR-167
Section, Township, Range	19-21-05
Tax ID	192105-9028
Latitude and Longitude	47.286623 -122.228136

Sale Data

Seller	Carol J. Bhatia
Buyer	JDA Properties LLC
Sale Date	01-02-2019
Sale Price	\$355,000
Analysis Price	\$355,000
Deed Type	Statutory Warranty Deed
Reference No.	20190109000084
Property Rights Transferred	Fee Simple
Market Time	138
Conditions of Sale	Arm's Length
Verified By	Kelsie Kim
Verification With	Surinder Khela - Listing and Buyer's Agent
Verification Date	03-08-2019

Sale Remarks

This is the January 2019 sale of a 37,700-square-foot parcel located on the east side of A Street SE, south of SR-18, and southeast of the Outlet Collection shopping center in Auburn.

Land Data

Land Size	0.86547 acres or 37,700 SF
Topography	Level
Front Footage	130.00 A Street SE
Depth (Feet)	290.00
Utilities	All public utilities available
Shape	Generally Rectangular
Access	Good
In Flood Plain?	No
Zoning Code	C-3 Commercial

Indicators

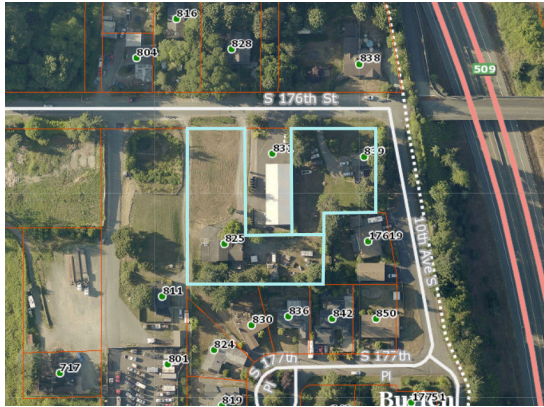
Analysis Price/Gross Acre	\$410,182 per Acre
Analysis Price/Gross SF	\$9.42 per SF
Analysis Price/Front Foot	\$2,730.77

Property Remarks

The property is rectangular shaped with a level topography. The property has a curb cut for a driveway, water onsite, and sewer, storm, and power in the street. The property does not have any apparent critical areas or wetlands onsite. The property is zoned C 3 allowing for mixed use/multifamily development and a variety of commercial and retail uses. The listing agent states that he does not know what the buyer's plans are for the property but that the buyer owns the business two properties north of the subject site. The property sold for \$355,000, or \$9.42 per square foot.

Comp ID No. 10915346

LAND SALE NO. 3



Property Identification

Property ID	10812419
Property Type	Land
Address	825 S. 176th Street
City, State Zip	Burien, Washington 98148
County	King
Tax ID	322304-9083 and 322304-9136
Latitude and Longitude	47.444531 -122.322687

Sale Data

Seller	Richard and Kay Larson
Buyer	Drexel Skyway LLC
Sale Date	12-18-2018
Sale Price	\$915,000
Analysis Price	\$915,000
Deed Type	Statutory Warranty Deed
Reference No.	20181218001041
Property Rights Transferred	Fee Simple
Conditions of Sale	Arm's Length
Verified By	Greg Goodman
Verification With	Cassie Larson, broker

Land Data

Land Size	1.32000 acres or 57,499 SF
Topography	Mostly level
Utilities	All available
Shape	Slightly Irregular
Access	Average
Zoning Code	I Industrial

Indicators

Analysis Price/Gross Acre	\$693,182 per Acre
Analysis Price/Gross SF	\$15.91 per SF

Property Remarks

The property is located along the south side of S. 176th Street, near its eastern terminus east of Des Moines Memorial Drive S. The property is comprised of two separate, but contiguous tax lots that produce an overall site that is slightly irregular in shape. The property has access from both S. 176th Street and the easterly abutting 10th Avenue S. At the time of the purchase, each tax lot was improved with an older single-family residence. These structures were, however, considered to be of no contributory value with the sales price reflecting land value only.

Comp ID No. 10812419

LAND SALE NO. 4



Property Identification

Property ID	10915430
Property Type	Commercial Land
Property Name	Industrial Land
Address	2204 A Street SE
City, State Zip	Auburn, Washington 98002
County	King
Location Description	south of Hwy 18 and east of SR-167
Section, Township, Range	19-21-05
Tax ID	869520-0045, -0040
Latitude and Longitude	47.289068 -122.228051

Sale Data

Seller	Lipe, LC
Buyer	BC Investments 2 LLC
Sale Date	05-31-2018
Sale Price	\$1,000,000
Analysis Price	\$1,000,000
Deed Type	Statutory Warranty Deed
Reference No.	2018053100299
Property Rights Transferred	Fee Simple
Conditions of Sale	Unknown
Verified By	Diane Quinn
Verification With	CoStar and public records only

Sale Remarks

2018 sale of a 1.72 acre commercial property in Auburn, near the Boeing fabrication plant. It's older improvements are considered of interim value only. It closed for \$1,000,000 or \$13.34 per square foot of land.

Land Data

Land Size	1.72140 acres or 74,984 SF
Topography	Level
Front Footage	200.00 A Street SE
Depth (Feet)	375.00
Utilities	All public utilities available
Shape	Generally Rectangular
Access	Good
Zoning Code	C3 Commercial

Indicators

Analysis Price/Gross Acre	\$580,923 per Acre
Analysis Price/Gross SF	\$13.34 per SF
Analysis Price/Front Foot	\$5,000.00

Property Remarks

The property is rectangular in shape with a level topography that is partially cleared and used as auto storage. The property is zoned C3 or Heavy Commercial District by the City of Auburn. The property has all public utilities available. It sold in November 2016 for \$890,000.

Comp ID No. 10915430

LAND SALE NO. 5



Aerial View



Ground View

Property Identification

Property ID	10616533
Property Type	Land
Address	7830 S. 206th Street
City, State Zip	Kent, Washington 98032
County	King
Section, Township, Range	SE 01 22N 04E
Tax ID	631500-0381

Sale Data

Seller	Virginia Moor
Buyer	Kotsukhiya Holdings LLC
Sale Date	02-09-2017
Sale Price	\$1,700,000
Analysis Price	\$1,700,000
Deed Type	Statutory Warranty Deed
Reference No.	20170309000816
Property Rights Transferred	Fee Simple

Land Data

Land Size	2.61001 acres or 113,692 SF
Topography	Level
Utilities	All public utilities available
Shape	Square
Access	206th Street
Zoning Code	M2 Limited Industrial District

Indicators

Analysis Price/Gross Acre	\$651,339 per Acre
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Analysis Price/Gross SF \$14.95 per SF

Property Remarks

This is the purchase of a 2.61 acre industrial site at 7830 S. 206th Street in Kent. The site is rough graded and utilized as a storage yard. The north end of the site contains and abuts wetlands resulting in approximately 90,692 square feet as usable yard area. The property sold for \$1,700,000, or \$14.95 per square foot gross; \$18.74 per square foot usable. All utilities are available to site including sewer. The property is fully fenced and currently being utilized as truck and trailer storage.

Comp ID No. 10616533

LAND SALE NO. 6



620 sW 12th aerial

Property Identification

Property ID	10623431
Property Type	Industrial Land
Property Name	Industrial Lot
Address	620 SW 12th Street
City, State Zip	Renton, Washington 98057
County	King
Location Description	1/2 block south of Grady Way and north of I-405
Section, Township, Range	19-23-05
Tax ID	334040-4805
Latitude and Longitude	47.468742 -122.226671

Sale Data

Seller	1150 Raymond LLC
Buyer	Washington State Auto Dealers Association
Sale Date	04-20-2017
Sale Price	\$289,000
Analysis Price	\$289,000
Deed Type	Warranty Deed
Reference No.	201707421001018
Property Rights Transferred	Fee Simple
Financing	Cash to seller
Conditions of Sale	Arm's Length
Verified By	Diane Quinn
Verification With	Broker, Baumer
Verification Date	05-30-2018

Sale Remarks

This is the April 2017 acquisition of a storage lot in Renton. It was purchased by the adjacent property owner for expanded parking. The sales price was agreed to verbally, between the parties before the listing was published. Subsequent to that, the owner received other offers over asking price; however, the seller followed through with the first offer. It sold for \$289,000, or \$19.93 per square foot of land.

Land Data

Land Size	0.33287 acres or 14,500 SF
Topography	Level
Front Footage	145.00 SW 12th Street
Depth (Feet)	100.00
Utilities	All available in street
Shape	Trapezoidal
Access	Direct
Zoning Code	IM Medium Industrial

Indicators

Analysis Price/Gross Acre	\$868,207 per Acre
Analysis Price/Gross SF	\$19.93 per SF
Analysis Price/Front Foot	\$1,993.10

Property Remarks

Flat all usable site with exposure to Grady Way.

Comp ID No. 10623431

LAND SALE NO. 7



Property Identification

Property ID	10928245
Property Type	Industrial Land
Property Name	Auburn Industrial
Address	21 49th Street NE
City, State Zip	Auburn, Washington 98002
County	King
Tax ID	9360000190
Latitude and Longitude	47.351248 -122.229579

Sale Data

Seller	Moore Estate
Buyer	MOTT Industrial LLC
Sale Date	04-06-2017
Sale Price	\$990,000
Analysis Price	\$990,000
Deed Type	Personal Representative's Deed
Reference No.	20170411001540
Property Rights Transferred	Fee Simple
Financing	Cash to seller
Verified By	Christina Lovell
Verification With	Mark Foley
Verification Date	04-29-2019

Land Data

Land Size	1.28225 acres or 55,855 SF
Topography	Level
Utilities	Access to all public utilities
Shape	Rectangular



Access	49th Street NE
In Flood Plain?	Heavily impacted by the 100-year floodplain
Zoning Code	M1 Manufacturing

Indicators

Analysis Price/Gross Acre	\$772,080 per Acre
Analysis Price/Gross SF	\$17.72 per SF

Property Remarks

This is the sale of 1.28 acres of industrially-zoned land in Auburn. According to the broker, the interim improvements attributed approximately 15% to the overall sales price which results in an adjusted sales price of \$15.07 per square foot of land. It is level and heavily impacted by the 100-year floodplain.

Comp ID No. 10928245



Qualifications of Appraisers

Qualifications of S. Murray Brackett, MAI

Principal

Valbridge Property Advisors | Puget Sound

Education

Bachelor of Arts in Business Administration, Western Washington University, 1985, with an emphasis on real estate.

Professional Education

Appraisal Courses: All appraisal courses required for MAI designation.

Seminars and Continuing Education (abbreviated summary of coursework):

- Easement Valuation
- UASFLA Seminar (Yellow Book)
- Real Estate Law
- Appraising From Blueprints
- Complexities of Predevelopment Land
- The Appraiser as Expert Witness
- Litigation Skills for the Appraiser
- The New Frontier of Takings Law
- Partial Acquisitions Workshop
- Condemnation Appraisal & Mock Trial
- Conservation Easement Appraisal - Certificate Course

Professional Affiliation

Member, Appraisal Institute. Received MAI Designation May 2, 1997 (Member No. 11,258)

Past President (2003), Seattle Chapter of the Appraisal Institute

Member, International Right-of-Way Association

Associate Member, Washington Airport Manager's Association

Appraisal Experience

Principal with *Valbridge Property Advisors/Puget Sound*. Responsibilities include the full range of residential, commercial and industrial real estate valuation. Appraisals have been prepared on such diverse properties such as airports and airport-related facilities, park lands, subdivisions and golf courses, as well as typical commercial and industrial improved property. Airport work has included valuation of entire airports to assist in determining lease rates, valuation of adjacent properties for airport expansion, aviation related improved properties and aviation easements. Improved and Unimproved valuations have been performed for acquisitions in fee, leased fee and leasehold interests, partial takings, as well as various partial interests including the following: conservation easements, utility easements, subsurface easements, air-rights/aviation easements, and minority interests. Numerous Appraisals have been prepared for use in litigation, including eminent domain dispute resolution, condemnation and inverse condemnations. UASFLA-compliant Appraisals have been prepared for a wide variety of agencies on a wide range of property types.

S. MURRAY BRACKETT, MAI (cont.)

Qualified as an expert witness in King, Kitsap and Pierce County Superior Courts, US District Court, and Federal Bankruptcy Court. Geographic experience includes assignments in Washington, California, Oregon, Idaho, Nebraska, Iowa, Kansas, South Dakota, Alaska, and British Columbia.

Other Experience

Instructor: Instructor, Income Property Appraisal, Lk Wa. Voc-Tec.
Qualified Level 3 Facilitator, IRWA

Presentations: October 2003 - WPMA Conference – “The Valuation of Non-Water Dependent Properties.”
September, 2009 - Valuation of Airport Properties, WAMA
December 9, 2010 - AI-Seattle Fall R.E. Conference – Panelist/presenter for Appraisal Issues relating to Partial Acquisitions in Eminent Domain cases.

Representative Client List

Cities/Counties

Cities of Bellevue, Burien, Kirkland, Seattle, Kent, Everett, Renton, Auburn, Arlington, Anacortes, Tacoma, North Bend, Snoqualmie, Lake Forest Park, Kenmore, Bothell, Lynnwood, Port Angeles, Maple Valley, Puyallup, Woodinville and SeaTac. Counties of King, Snohomish, Pierce, Kitsap, Thurston, and Skagit.

Government

Ports of Seattle, Everett, Olympia, Grays Harbor, Bremerton, Port Angeles, and Friday Harbor. Washington State Parks, WSDOT (Approved Appraiser List), DNR, Federal Aviation Administration, Internal Revenue Service, King County DNR, GSA, U.S. Navy, San Juan County Land Bank, Northshore School District, Snohomish School District, Sound Transit, USACE.

Financial Institutions

Bank of America, U.S. Bancorp, Key Bank, Wells Fargo Trust, Commerce Bank, Homestreet Bank, Banner Bank, Charter Bank, Union Bank.

Airports

Sea-Tac International Airport, Renton Municipal, Auburn Municipal, Snohomish County Airport (Paine Field), Arlington Municipal, Bellingham International, Olympia Airport, William Fairchild (Port Angeles), Spokane Int'l, Centralia/Chehalis, Bremerton National, Pullman Airport, and Friday Harbor Airport.

Corporations and Non Profits

Weyerhaeuser Company, WRECO, Tramco, Plum Creek, McDonalds Corporation, Gull Industries, Puget Sound Energy, Development Services of America (DSA), FSA, Winmar Company, Jr. Achievement, Lowe Enterprises, PACCAR, Inc., The Trust for Public Land, Cascade Land Conservancy, Fletcher General Construction, Manke Lumber Company, Simpson Timber Company, New Ventures Group, OTAK, American Forest Resources, HDR, Inc., Hancock Natural Resources Group, Sierra Pacific Industries, Quadrant, Port Blakely Communities, Lowe Enterprises, Parsons Brinckerhoff, CH2M-Hill.

S. MURRAY BRACKETT, MAI (cont.)

Attorneys

Hillis, Clark, Martin & Peterson; Kenyon Disend; Perkins Coie; Tousley Brain; Inslee Best; Graham and Dunn; Chmelik, Sitkin & Davis; Foster Pepper; Short Cressman; Davis Wright & Tremaine; Betts Patterson; Karr Tuttle Campbell; Anderson Hunter; Riddell Williams; Williams Kastner; Krutch Lindell; Curran Mendoza; Williams and Williams; and King County Prosecuting Attorney.

State Certification Number - General: 27011-1100853 **Expiration:** 11/21/19

(Revised 11/30/17)

Qualifications of Christina J. Lovell

Associate Appraiser

Valbridge Property Advisors | Puget Sound

Experience

Christina has been involved in various facets of the real estate industry for nearly 15 years, with experience as a Commercial Real Estate Paralegal and Transaction Manager for a large, national law firm, a Right-of-Way Agent for an electric and gas utility company, and appraisal work as an Accredited Real Property Appraiser for the Clallam County Assessor's Office, and an Associate for a small residential firm. Appraisal assignments have included work on commercial and industrial properties, conservation easements and right-of-way projects in King, Snohomish, Skagit and Kittitas Counties.

Education

Marylhurst University, Marylhurst, Oregon:

Bachelor of Science

Business Management with a focus in Real Estate and Finance

Edmonds Community College, Lynnwood, Washington:

Associate of Technical Arts

Paralegal Studies

Appraisal Institute:

Basic Appraisal Principles

Basic Appraisal Procedures

General Appraiser Income Approach I

General Appraiser Income Approach II

General Appraiser Statistics, Modeling, and Finance

General Appraiser Market Analysis and Highest and Best Use

General Appraiser Sales Comparison Approach

USPAP



Christina J. Lovell (cont.)

International Right-of-Way Association:

Principles of Land Acquisition

Organizations:

Appraisal Institute: Practicing Affiliate

State Registered Real Estate Appraiser Trainee: 1001951

Expiration: 04/18/20