



APPRAISAL REPORT OF
Former Osborn Elementary School
225 Central Ave
Leavenworth, WA 98826

Effective Date of Value: February 24, 2021

CLIENT
Cascade School District
330 Evans Street
Leavenworth, WA 98826

PAA File # 21-17-6469

Appraised By:

Brian Vincent, MAI, AI-GRS
135 S. Worthen St., Ste. 100
Wenatchee, WA 98801
509/662-8900



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February 25, 2021

Tracey Beckendorf-Edou
Cascade School District
330 Evans Street
Leavenworth, WA 98826

Re: Appraisal Report of: Former Osborn Elementary School
225 Central Ave.
Leavenworth, WA 98826

Dear Ms. Beckendorf-Edou:

Pursuant to your request, I have made an analysis of the physical and economic features of the above referenced property and formed an opinion of value.

This appraisal complies with the Uniform Standards of Professional Appraisal Practices (USPAP). This report is presented in an appraisal report format.

The intended user of this appraisal report is Cascade School District. It is not to be relied upon by any other third party or parties for any purpose whatsoever without the express written permission of the appraiser.

This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 was beginning to have widespread health and economic impacts. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

The appraisal is based on a hypothetical condition that the school and 2.79 acres of land have been segregated from the Parent Parcel, which is contrary to what exists. Use of this assumption can lead to varying assignment results.

By reason of this investigation and based upon the data and analysis given in the attached report, it is my opinion the property's market value, subject to the Assumptions and Limiting Conditions, as of February 24, 2021, was;

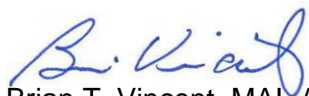
Seven Hundred Nineteen Thousand Dollars

\$719,000

Your attention is invited to the information and data included in the following 63 pages of this report.

February 25, 2021
Tracey Beckendorf-Edou
Page 2

Respectfully submitted,

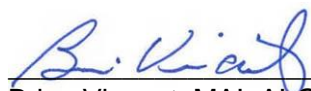


Brian T. Vincent, MAI, AI-GRS
Appraiser
Certified - State of Washington
General Classification / Certification # 1101562

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

- ♦ The statements of fact contained in this report are true and correct.
- ♦ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ♦ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ♦ I have performed appraisal services, regarding the property that is the subject of this report, on August 9, 2019 and November 20, 2017.
- ♦ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ♦ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ♦ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ♦ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ♦ I have made a personal inspection of the property that is the subject of this report.
- ♦ No one provided significant real property appraisal assistance to the person signing this certification.
- ♦ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ♦ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ♦ That I, Brian T. Vincent, MAI, AI-GRS am currently certified by the State of Washington, General Classification #1101562, expiring 11/08/2022.
- ♦ As of the date of this report, I have completed the continuing education program for Designated members of the Appraisal Institute.

Dated: February 25, 2021



Brian Vincent, MAI, AI-GRS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY	Former Osborn Elementary School
ADDRESS	225 Central Ave., Leavenworth, WA 98826
PURPOSE OF APPRAISAL	To estimate market value
DATE OF REPORT	February 25, 2021
DATE OF VALUE	February 24, 2021
EXPOSURE TIME	1-3 years
MARKETING TIME	1-3 years
ZONING	Residential Low Density 6,000 (RL6)
SITE	116,546 sf (+/- 2.68) acres
IMPROVEMENTS	25,328 sf elementary school
COST APPROACH	(Site Value) \$402,000
INCOME APPROACH	N/A
SALES COMPARISON APPROACH	(Contributory Value of Improvements) \$316,600
INDICATED MARKET VALUE	\$719,000

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Northern property boundary view east



Western property boundary, view south



Southern property boundary from Orchard Ave.



Front of school



Southern exposure, view west

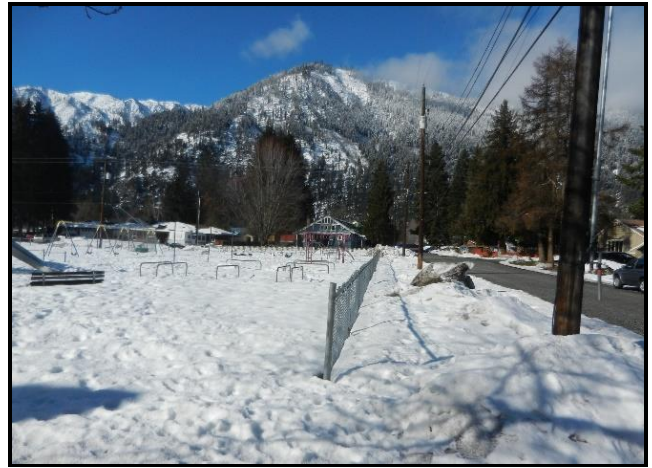


View east of playground and structure

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Northern boundary and northern exposure



Northern boundary



Covered area and multi-purpose room



Southern building exposure and property line



Administration office



Work area

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Library



Kindergarten classroom



Kitchen



Multi-purpose room



East Wing classrooms



North Wing classrooms

Appraisal Problem to be Determined

This appraisal was commissioned by the Cascade School District to determine the value of a portion of the Osborn Elementary School property for a potential sale to the City of Leavenworth. The property is described as a 2.68-acre (116,546 sf) area of land and the school building. This appraisal is designed to determine the market value of the property for a potential sale.

Please note that the assessor defined parcel 241701680397 is identified as Lots 1, 2, 5, 6, 7, 8, 11, & 12 Block 6 of Leavenworth Gardens. Of this parcel, only Lots 1, 2, 11, and 12 Block 6 of Leavenworth Gardens are the subject of this report.

Identification of the Subject Property

Former Osborn Elementary School and land (116,546 sf +/- 2.68 acres)

The parent tax parcel is identified by Chelan County Assessor as a portion of #241701680397, -398, and -401.

Address

225 Central Ave., Leavenworth, WA 98826

Latitude / Longitude

N 47.598292, W -120.663817

Legal Description

Lot 1, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

Lot 2, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

Lot 3, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

EXCEPT that portion described as follows: Beginning at the Southwest corner of said Lot 3; thence South 89°53'52" East a distance of 193.92 feet to the Southeast corner thereof; thence North 0°50'06" East along the East line of said Lot 3 a distance of 5.92 feet; thence N 89°09'34" West a distance of 193.92 feet to the West line of said Lot 3; thence South 0°50'06" West a distance of 5.03 feet to the Point of Beginning.

Lot 10, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

EXCEPT that portion described as follows: Beginning at the Southwest corner of said Lot 10; thence South 89°53'52" East a distance of 193.92 feet to the Southeast corner thereof; thence North 0°50'06" East along the East line of said Lot 10 a distance of 5.03 feet; thence North 89°09'34" West a distance of 8.91 feet; thence North 0°33'33" East a distance of 6.52 feet; thence North 89°28'00" West a distance of 184.98 feet to the West line of said Lot 10; thence South 0°50'06" West a distance of 9.67 feet to the Point of Beginning.

Lot 11, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

Lot 12, Block 6, Plat of Leavenworth Gardens, as recorded in Volume 1 of plats, page 85, records of Chelan County, Washington.

Record Owner and History of Ownership

According to Chelan County Assessor, the owner of record is School District No. 228.

The property has been under the current ownership for a longer than three years.

It is my understanding that there is a current Memorandum of Understanding as recorded under Chelan County Auditor's File No. 2442057. In that agreement, the City has an option to purchase the Osborn Elementary School Property based on the results of this appraisal and establish the base purchase price, unless the value of the property has declined since the original appraisal and the School District objects to said update within 15 days of its delivery to the parties.

There are no other known offers listing agreements.

Interest Appraised

Fee Simple.

Purpose of the Appraisal

To estimate market value.

Scope of Work

The scope of work in this assignment included a personal inspection of the subject property occurring on February 24, 2021. The property was also inspected on August 5, 2019 as part of a previous appraisal. I have reviewed the Boundary Line Adjustment, Final AEG Report, Memorandum of Understanding, hazardous Materials Survey, and a Phase 1 Environmental Site Assessment.

A land sales search was conducted within the Leavenworth Area for predeveloped properties to establish an underlying land value. Since the last appraisal in 2019, no new predeveloped land sales were found and as such, the same sales were used making adjustments for current market conditions.

Additionally, sales were researched of larger buildings reaching the end of their economic lives and will be requiring significant upgrades for continued use. Four relevant and more recent sales were found and include a former school, two older grocery stores, and a former armory. A relevant 5th sale of a school occurring in 2016 was found and though older is believed to shed light on the subject value. These were selected based on age/condition and their large size relative to the subject. Other sales were considered but ruled out for various reasons.

All utilized sales are believed to be generally comparable to the subject and add reasonable support to value.

The search period ranges from as far back as 3-7 years ago for land sales, and upwards of 5 years ago for the oldest school sale. Most sales have been inspected; those school sales located outside the region were not inspected. Photographs were provided from the transaction parties, assessor, and/or local multiple listing service. All sales were confirmed by either the buyer or seller.

Sources used in obtaining sale information include public records (deed recording, various County Assessors records), local area MLS, and local Realtors.

Sales were confirmed by transaction participants, agent, or public records at the very least. All sales described are included in the Addenda of the Reporting including photographs.

Initiation of the assignment included a preliminary search of all available resources to determine market trends, influences and other factors pertinent to the community and the subject. These resources included, a) a review of pertinent data from previous assignments of a similar nature within the appraisers' office files, b) a search of county assessor and title company records for comparable sales data within the locale of the subject property, c) Realtors, property managers and other professionals in the field to ascertain economic and demographic trends, investment criteria, comparable sales or present offerings and marketing periods.

This appraisal is prepared in compliance with the *Uniform Standards of Professional Appraisal Practice* as promulgated by The Appraisal Foundation and the Code of Professional Ethics and Certification Standard of the Appraisal Institute.

This is an Appraisal Report, as defined in USPAP, and includes photographs of the subject property, descriptions of the subject neighborhood, the site, improvements to the site, a description of the zoning, a highest and best use analysis, a summary of the most important sales used in the appraiser's valuation, a reconciliation and conclusion, a map illustrating the sales in relationship to the subject property and other data deemed by the appraiser to be relevant to the assignment. Pertinent data and analyses not included in the report may be retained in the appraiser's work file.

This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 was beginning to have widespread health and economic impacts. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value.

Competency

The signatory to this report has appraised numerous properties throughout Eastern Washington including Chelan County, where the subject property is located. It is felt the appraiser has the competency to appraise the subject property. Further detail as to competency is included in the qualifications located in the Addenda to this report.

Intended Use

The intended use of the appraisal is to assist with a potential sale of the property.

Intended User of the Appraisal

The intended users of this appraisal are Cascade School District and the City of Leavenworth.

Date of Inspection

February 24, 2021

Date of Value

February 24, 2021

Exposure Time / Marketability

As will be discussed later in the report, the subject building is aging and require updating to extend its economic life. The main building is showing signs of deferred maintenance around the roof, fascia and soffit areas which suggest there could be roof damage that needs to be addressed. Little maintenance has been done to the building as it has been the District's intent to surplus the building and focus on the other schools. The long-lived items such as roof, mechanical, plumbing, electrical and windows are all in need of improvement. Buildings of this age and condition typically have a limited number of potential users. The subject location in Leavenworth further limits the subject's marketing potential.

Typical users of older relatively large schools are other schools, churches, community centers, libraries, museums, residential conversion to condominiums, offices and other mixed-use properties. One difficulty noted with the subject is the fact it is in the heart of a residential district which has a limited number or potential uses and the likelihood for a zone change is remote. Therefore, conversion to multi-family residential, private offices and other private uses are not allowed. Uses that are possible are schools, religious facilities, government buildings, libraries, museums, and community centers.

Because of the relatively low population and the fact that most government entities are downsizing demand for this use are low. Local private schools show relatively little interest in the building due to having sufficient facilities. Not all churches were canvased and there may be a local church that would be interested in the building. Most churches are struggling with membership.

The remaining potential uses for the property could include pre-school, day care, or other mixed use as allowed by zoning. Overall, demand for the existing buildings in as is condition and under current zoning is limited. Extensive marketing by a Realtor specializing in school properties could attract additional interest in other users.

The parcel considered as though vacant is has very good market appeal. This is one of the last large parcels of land in town that would allow for residential development. There is a relative shortage of property in the area for properties with affordable housing potential. Average home prices have increased in Leavenworth to a point where most people cannot afford to build a house at an affordable price point. A recent subdivision and lot sales are examples of pent-up demand for residential properties in town. New construction of homes shows overall financial feasibility. Even with this new development it is perceived that there is enough demand for the subject property for ultimate residential use.

Considering the nature of the property, its condition, and limited number of potential users, it is believed that the subject property as improved would have a marketing time of say 1-3 years, and that the exposure time leading up to the date of value has a similar period. This assumes that the property is listed at a price within reasonable relation to value and marketed by a knowledgeable Realtor.

Assumptions and Limiting Conditions

1. That unless otherwise stated in this report, the appraisal reported herein is based upon the premise that the property is free and clear of all encumbrances.
2. No opinion has been rendered nor has any responsibility been assumed for matters, which are legal in nature concerning the property, such as title defects, encroachments, liens, location of property lines, etc.
3. It has been assumed that the legal description provided represents the 116,546 sf (+/- 2.68-acre) subject area.
4. The information contained in this report has been obtained from reliable sources and investigated by your appraiser and the statements contained in the report, to the best of my knowledge & belief, are in accordance therewith, but said information is in no sense guaranteed.
5. The description of the improvements is based upon an interior and exterior inspection, as well as a review of assessor records.
6. Soil studies have not been provided for the subject property; however, it is believed that the site is suitable for the Highest and Best Use as described further in this report.
7. That unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover such conditions.
8. The compensation to be paid the appraiser for making this appraisal is in no way contingent upon the value reported.
9. The conclusions of the appraisal are to be considered as a part of the entire document. This appraisal is to be used in its entirety and not taken out of context.
10. Employment to complete the appraisal report does not require testimony in a court unless mutually satisfactory arrangements are made in advance.
11. Neither all nor any part of the contents of this report, especially conclusions to value, identity of the appraiser, or the firm with which he is connected or any reference to the Appraisal Institute or the MAI designation shall be disseminated to the public through media sources without the prior written consent and approval of the undersigned.
12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. There has not been ordered or conducted a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Extraordinary Assumption

None noted.

Hypothetical Condition

None noted.

Appraisal

The act or process of developing an opinion of value; an opinion of value.¹

Market Value

Market Value may be defined as follows: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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific 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 U. S. 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.

Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.³

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.³

Hypothetical Condition

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 purpose of analysis.³

¹ Definition from Uniform Standards of Professional Appraisal Practice, 2018-2019, published by The Appraisal Foundation

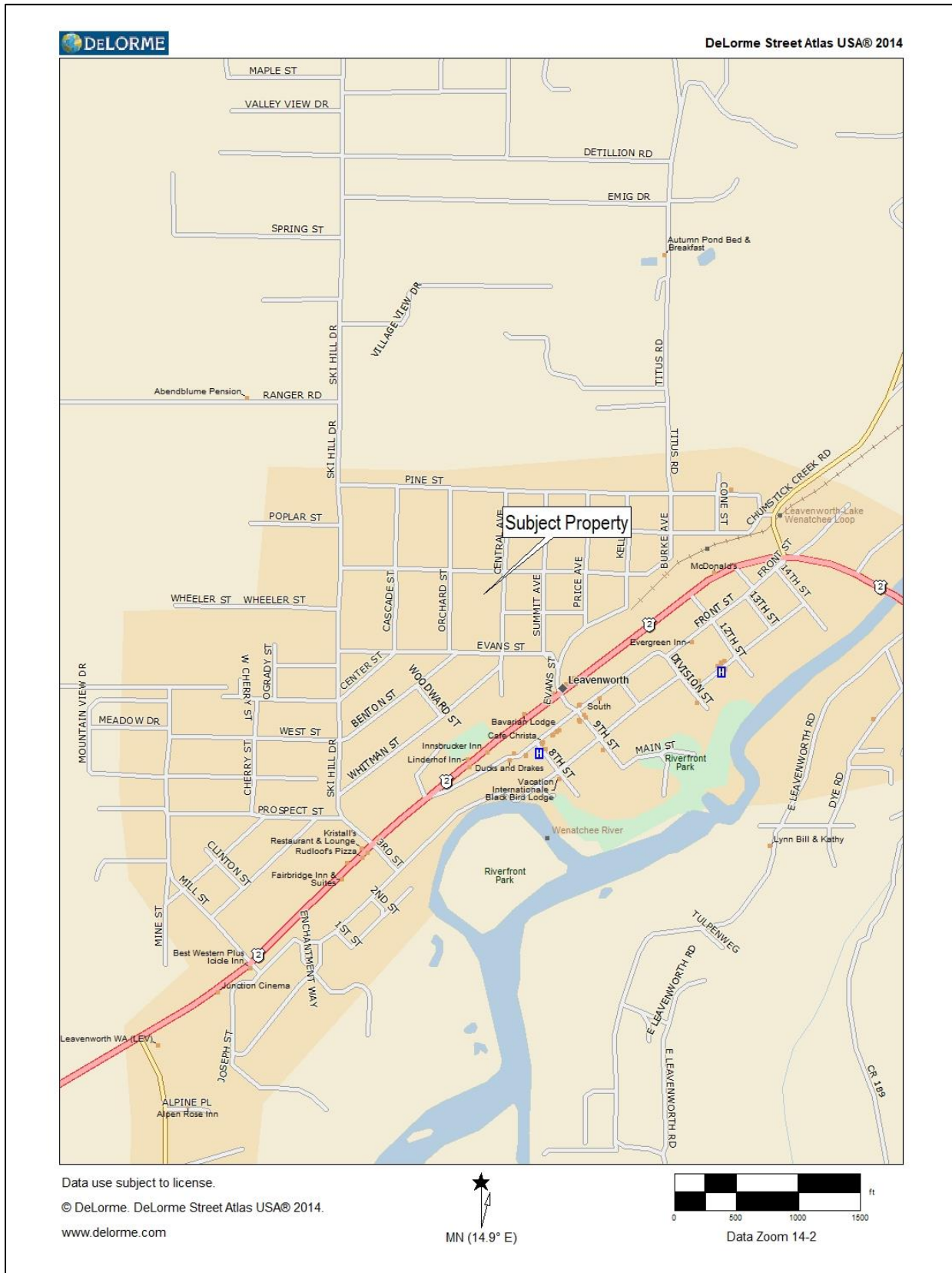
² This definition is from regulations published by federal regulatory agencies pursuant to Title XII of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC) This definition is also referenced in regulations jointly published by the by OCC, OTS, FRS, and FDIC on June 7, 1994, and in the *Interagency Appraisal and Evaluation Guidelines*, dated October 27, 1994. This definition also appears in the Glossary to USPAP.

³ Definition from Uniform Standards of Professional Appraisal Practice, 2018-2019, published by The Appraisal Foundation

REGIONAL MAP



NEIGHBORHOOD MAP



Regional Description

The region in which the subject property is located is referred to as North Central Washington. The principal urban area of the region is comprised of the cities of Wenatchee in Chelan County and East Wenatchee in Douglas County.

Wenatchee and East Wenatchee are situated in the approximate center of Washington State on the western and eastern banks of the Columbia River, approximately two miles south of the confluence of the Wenatchee River. This is also the location of the junction of U.S. Highway 2 (east/west) and U.S. Highway 97 (north/south), the two major routes serving North Central Washington. The two communities are physically connected by two highway bridges crossing the Columbia River, and even more closely related due to an established and strengthening intermixture of economic, social and geographic features which they share.

The largest metropolitan areas of the state are just a short drive from the Greater Wenatchee Area. Seattle is approximately 140 miles to the West and Spokane 160 miles to the East.

Economy

Chelan and Douglas County's economy relies heavily on agriculture, which includes orchards, food manufacturing, warehousing, shipping and processing. Most agriculture in the area revolves around various tree fruit, including apples, cherries, pears and peaches. Over the years, grape vines have replaced some fruit orchards and wineries are now playing an important role in agriculture and tourism.

In addition to agriculture, tourism plays a large part in the local economy. North Central Washington has an abundance of outdoor recreation opportunities, unique towns, events and award-winning wineries.

Agriculture

The fruit industry, mainly relating to apples and pears, has been the mainstay of the regional economy for many years. Tree fruit products are the top food commodity produced in this region.

With over 50 companies involved in growing, packing and shipping, the fruit industry contributes billions of dollars to the state's economy.

Stemilt Growers Inc. plays a major role in the agriculture industry. In 2010, Stemilt acquired Dovex Fruit Company making them the largest employer in the two-county area by a considerable margin.

Income

In 2018 the median hourly wage for all industries was \$17.99 for Chelan County and \$17.73 in Douglas County. Below is the latest annual wage information available.

Median Hourly Wage--Unadjusted for inflation

All Industries	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Chelan County	\$14.04	\$14.02	\$14.49	\$14.78	\$14.87	\$15.22	\$15.61	\$15.97	\$16.46	\$17.17	\$17.99
Douglas County	\$13.92	\$13.92	\$14.05	\$14.33	\$14.78	\$15.24	\$15.51	\$15.92	\$16.29	\$17.33	\$17.73
State Less King	\$17.78	\$18.32	\$18.73	\$19.04	\$19.24	\$19.57	\$19.85	\$20.24	\$20.68	\$22.00	\$22.37
State	\$20.11	\$20.87	\$21.01	\$21.59	\$21.68	\$22.09	\$22.61	\$23.15	\$23.91	\$24.89	\$25.98

Source: Washington State Employment Security

REGIONAL AND NEIGHBORHOOD DESCRIPTION

Chelan County Total Covered Payroll 2019			Douglas County Total Covered Payroll 2019		
Sector	Payroll	Share of payrolls	Sector	Payroll	Share of payrolls
1. Health services	\$413,175,482	21.82%	1. Local government	\$107,812,544	22.04%
2. Local government	\$310,983,511	16.42%	2. Agriculture, forestry and fishing	\$81,257,343	16.61%
3. Agriculture, forestry and fishing	\$278,166,444	14.69%	3. Retail trade	\$58,488,210	11.96%
4. Retail trade	\$132,518,661	7.00%	4. Construction	\$33,848,349	6.92%
5. Wholesale trade	\$117,016,229	6.18%	5. Wholesale trade	\$32,636,633	6.67%
All other industries	\$641,691,107	33.89%	All other industries	\$175,030,302	35.79%
Total covered payrolls	\$1,893,551,434	100%	Total covered payrolls	\$489,073,381	100%

In 2019 the Per Capita Income for Chelan was \$56,253 or 86% of WA State \$64,758
Source: Employment Security Department/LMEA, QCEW

In 2019 the Per Capita Income for Douglas was \$41,725 or 64% of WA State \$64,758
Source: Employment Security Department/LMEA, QCEW

Employment

The following information was provided by ESD of WA state on Dec 8, 2020. The Wenatchee MSA's nonfarm labor market netted approximately 100 new jobs in 2019, a 0.3-percent upturn – considerably less robust than Washington's 2.0-percent growth rate during 2019. In October 2020, total nonfarm employment across this two-county area provided 2,900 fewer jobs than in October 2019 contracting from 46,800 jobs to 43,900, a 6.2-percent abatement. In fact, year-over-year nonfarm job loss-rates across the Wenatchee MSA have "hovered" in the minus-six- to minus-seven-percent range in each of the past three months (August through October 2020). (MSA-Metropolitan Statistical Area is an area consisting of Chelan and Douglas Counties in Washington state, anchored by the cities of *Wenatchee* and *East Wenatchee*). The chart below covers the period from 2010-19

Annual Growth of Employment by Industry										
NAICS Industry Title	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
U.S.	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%	1.8%	1.6%	1.6%	1.4%
State	-0.9%	1.3%	1.6%	2.2%	2.5%	2.9%	3.1%	2.4%	2.4%	2.0%
Wenatchee MSA	-1.3%	0.7%	0.7%	1.5%	3.4%	5.7%	3.0%	1.6%	2.8%	0.3%
Total Nonfarm	-1.3%	0.7%	0.7%	1.5%	3.4%	5.7%	3.0%	1.6%	2.8%	0.3%
Total Private	-1.6%	1.1%	1.2%	2.3%	4.2%	6.4%	2.9%	1.5%	3.3%	0.4%
Goods Producing	-7.9%	5.2%	-2.0%	7.1%	7.9%	7.5%	-3.4%	3.4%	6.2%	2.5%
Mining, Logging, and Construction	-14.6%	-2.2%	-8.9%	15.2%	15.8%	7.8%	0.0%	8.9%	11.6%	0.0%
Manufacturing	-0.8%	12.0%	3.5%	1.4%	1.7%	7.3%	-6.5%	-2.0%	0.4%	5.4%
Service Providing	-0.5%	0.1%	1.1%	0.8%	2.8%	5.4%	3.8%	1.4%	2.4%	0.0%
Private Service Providing	-0.5%	0.4%	1.7%	1.5%	3.6%	6.2%	4.0%	1.1%	2.8%	0.1%
Trade, Transportation, and Utilities	-1.9%	1.6%	4.7%	-1.8%	0.6%	6.1%	0.8%	-1.8%	1.4%	-1.0%
Retail Trade	-0.4%	0.3%	-0.2%	-1.7%	1.9%	5.0%	1.5%	0.8%	1.9%	-1.2%
Education and Health Services	0.9%	-0.8%	-1.8%	1.6%	3.4%	2.8%	4.2%	3.2%	3.5%	0.7%
Leisure and Hospitality	3.3%	-0.2%	2.3%	0.5%	5.8%	7.7%	8.1%	1.4%	2.3%	1.0%
Government	-0.5%	-0.7%	-0.7%	-1.1%	0.5%	3.0%	3.4%	2.2%	1.2%	-0.1%
Federal Government	7.4%	-6.9%	-1.9%	-0.9%	-5.8%	4.0%	3.9%	-1.8%	-2.9%	1.9%
State Government	3.9%	-3.8%	0.0%	-5.3%	-1.3%	1.3%	5.5%	4.5%	1.3%	-5.6%
Local Government	-2.4%	0.9%	-0.6%	-0.4%	1.6%	3.1%	2.9%	2.2%	1.7%	0.7%

Unemployment

The average unemployment rate for the **Wenatchee MSA** in 2018 and 2019 were consistent in the 5% range. However, as seen in the chart below, the average unemployment rate for the period from January – December 2020, is 8.5%, with a high of 15.4% indicated in April. These figures are seasonally adjusted and provided by the WA State Employment Security Department as of Feb 2, 2021. For December, the Wenatchee MSA unemployment rate was 6%; WA State reported 7.1% while the Bureau of Labor Statistics reported the U.S. unemployment rate at 6.7% in this same period.

This substantial and sharp increase in unemployment is primarily due to the effects of the Covid-19 pandemic and resulting in temporary health/safety regulations that caused layoffs and reduced or closed business operations. Unemployment during this time period has increased not only here, but across the entire United States of America.

REGIONAL AND NEIGHBORHOOD DESCRIPTION

RESIDENT CIVILIAN LABOR FORCE AND UNEMPLOYMENT IN WENATCHEE MSA (Chelan & Douglas Counties)

	AVERAGE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2020													
Civilian Labor Force	65,954	67,772	67,956	67,810	68,129	67,285	61,481	58,366	63,185	68,443	67,071	64,501	69,447
Total Employment	60,321	64,531	64,815	64,764	57,657	57,763	54,629	51,085	57,473	62,753	62,769	60,329	65,286
Total Unemployment	5,633	3,241	3,141	3,046	10,472	9,522	6,852	7,281	5,712	5,690	4,302	4,172	4,161
Unemployment Rate	8.5%	4.8%	4.6%	4.5%	15.4%	14.2%	11.1%	12.5%	9.0%	8.3%	6.4%	6.5%	6.0%
2019													
Civilian Labor Force	67,162	67,190	67,176	67,089	66,941	66,788	66,700	66,737	66,900	67,156	67,460	67,756	68,053
Total Employment	63,722	63,609	63,606	63,548	63,430	63,300	63,228	63,282	63,473	63,771	64,126	64,473	64,820
Total Unemployment	3,440	3,581	3,570	3,541	3,511	3,488	3,472	3,455	3,427	3,385	3,334	3,283	3,233
Unemployment Rate	5.1%	5.3%	5.3%	5.3%	5.2%	5.2%	5.2%	5.2%	5.1%	5.0%	4.9%	4.8%	4.8%
2018													
Civilian Labor Force	66,886	66,256	66,401	66,563	66,728	66,891	67,007	67,071	67,106	67,135	67,152	67,154	67,168
Total Employment	63,573	63,000	63,161	63,334	63,508	63,675	63,783	63,825	63,817	63,783	63,726	63,654	63,613
Total Unemployment	3,313	3,256	3,240	3,229	3,220	3,216	3,224	3,246	3,289	3,352	3,426	3,500	3,555
Unemployment Rate	5.0%	4.9%	4.9%	4.9%	4.8%	4.8%	4.8%	4.8%	4.9%	5.0%	5.1%	5.2%	5.3%

Source: Employment Security Department/LMEA; U. S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Below is the seasonally adjusted **annual average** unemployment rate as provided by the Employment Security Department for the **total combined two-county** area of Chelan and Douglas from 2009 to 2018 reflecting continued economic growth over the period from 2016-2018. *(Please note that 2019, colored in orange, has been added to this chart but has “not been seasonally adjusted” as of February 2021).*

Labor Area Unemployment Rates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Chelan	8.1%	8.9%	8.4%	8.0%	7.3%	6.2%	5.6%	5.9%	4.9%	4.5%	4.9%
Douglas	8.0%	9.7%	9.4%	9.1%	8.3%	7.1%	6.4%	7.1%	5.7%	5.3%	5.6%
State	9.2%	10.0%	9.3%	8.1%	7.0%	6.1%	5.6%	5.4%	4.8%	4.5%	4.3%
U.S.	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.1%	3.9%	3.6%

Employers

The exhibit below shows the top 20 employers with the largest number of employees in Chelan and Douglas Counties. This data is supplied by the Port of Chelan County and was last updated June 2015.

Stemilt Growers tops the list with 2,000 full time employees, 20 part time, and 4,000 temporary employees, for a total of 6,020 employees overall. The second largest is Confluence Health with 3,527 employees.

LARGE EMPLOYERS LIST FOR CHELAN AND DOUGLAS COUNTIES					
Company Name	Industry	Full-Time	Part-Time	Temporary and/or Seasonal	Total Employees
Stemilt Growers, LLC.	agriculture	2000	20	4000	6020
Confluence Health	healthcare	3527	0	0	3527
Wenatchee School District	education	581*	446*	0*	1027*
Crunch Pak	processing	900	99	0	999
McDougall & Sons, Inc.	agriculture	604*	296*	0*	900*
Chelan County PUD No. 1	utilities	641	21	72	734
Eastmont School District #206	education	651	41	0	692
Chelan County	government	443	68	0	511
Alcoa - Wenatchee Works	manufacturing	460	0	0	460
C&O Nursery	agriculture	37	420	0	457
Custom Apple Packers	agriculture/fruit packing	440	0	0	440
Wenatchee Valley College	education	211	167	0	378
Blue Bird, Inc.	agriculture	48	322	0	370
Northern Fruit Co., Inc.	agriculture	200*	150*	0*	350*
Campbell's Lodge, Inc.	resort	50	230	0	280
Columbia Fruit Packers	agriculture	277	1	0	278
Lake Chelan Community Hospital	healthcare	175	19	75	269
Blue Star Growers	agriculture - fruit packing and storage	51	0	200	251
Columbia Valley Community Health	healthcare	167	76	0	243
WA State Department of Transportation	transportation	222	8	0	230

REGIONAL AND NEIGHBORHOOD DESCRIPTION

The exhibit below shows the latest compiled data for the top 5 employment sectors and their percentages as of year-end 2018 for both Chelan and Douglas Counties as supplied by the WA State Employment Security Office.

Chelan County Top 5 Employment Sectors in 2018			Douglas County Top 5 Employment Sectors in 2018		
Sector	Number of Jobs	Share of Employment	Sector	Number of Jobs	Share of Employment
1. Agriculture, forestry and fishing	10,609	23.5%	1. Agriculture, forestry and fishing	3,278	25.3%
2. Health services	6,343	14.1%	2. Local government	1,873	14.5%
3. Local government	5,338	11.8%	3. Retail trade	1,754	13.6%
4. Accommodation and food services	4,821	10.7%	4. Accommodation and food services	988	7.6%
5. Retail trade	4,436	9.8%	5. Health services	826	6.4%
All other industries	13,538	30.0%	All other industries	4,215	32.6%
Total covered employment	45,085	100%	Total covered employment	12,934	100%
Source: Employment Security Department/LMEA, QCEW			Source: Employment Security Department/LMEA, QCEW		

Technology

Technology businesses are flourishing thanks to lower power rates, good transportation links and Chelan County PUD's commitment to providing fiber to the region. The Wenatchee Area houses multi-million-dollar datacenters for both Yahoo and the Sabey Corporation. Yahoo is located in the Confluence Technology Center (CTC). The CTC is a state-of-the-art professional, technical and business center where professionals can host and participate in meetings, trainings and live multi-site videoconferences. Sabey Corp, a 100,000 square foot technology center, is located near the Pangborn Airport Industrial Park.

Retail Sales

The cycle of growth for business in the Greater Wenatchee Area is evidenced by the taxable retail sales data provided by the Washington State Department of Revenue. As can be seen on the following graph, the cities and unincorporated county data shows this increase of taxable retail sales from 2018 to 2019. Some areas within each county have experienced significant growth during this period. The average overall increase for all taxable retail sales from 2018 to 2019 in Chelan County was 6.33% and for Douglas County was 28.39% which is largely due to the significant increase in the Bridgeport area.

Taxable Retail Sales for All Industries Compared to Taxable Retail Sales for the Retailing Industry	ALL TAXABLE RETAIL SALES			TAXABLE RETAIL SALES FOR RETAILING INDUSTRY (NAICS 44 & 45)		
	2018	2019	% CHANGE	2018	2019	% CHANGE
LOCATION NAME						
CHELAN COUNTY (Unincorporated)	\$512,277,760	\$526,256,007	2.73%	\$89,911,347	\$108,807,498	21.02%
CASHMERE	\$61,766,309	\$64,342,685	4.17%	\$18,898,864	\$21,106,407	11.68%
CHELAN CITY	\$205,895,510	\$217,674,074	5.72%	\$68,997,375	\$75,994,880	10.14%
ENTIAT	\$11,489,960	\$14,010,420	21.94%	\$4,666,209	\$5,546,795	18.87%
LEAVENWORTH	\$215,165,891	\$219,283,099	1.91%	\$60,225,347	\$65,575,905	8.88%
WENATCHEE	\$1,153,006,219	\$1,170,532,051	1.52%	\$563,704,275	\$587,115,130	4.15%
DOUGLAS COUNTY (Unincorporated)	\$514,398,499	\$647,564,348	25.89%	\$159,988,192	\$199,972,456	24.99%
BRIDGEPORT	\$8,918,641	\$20,099,330	125.36%	\$4,405,918	\$4,621,960	4.90%
EAST WENATCHEE	\$467,947,392	\$475,188,482	1.55%	\$272,125,740	\$284,436,459	4.52%
MANSFIELD	\$2,610,507	\$2,780,774	6.52%	\$822,670	\$1,186,668	44.25%
ROCK ISLAND	\$7,772,034	\$8,077,598	3.93%	\$3,652,375	\$4,105,594	12.41%
WATERVILLE	\$9,474,124	\$10,147,503	7.11%	\$4,127,081	\$4,662,320	12.97%

Source: WA State Department of Revenue

REGIONAL AND NEIGHBORHOOD DESCRIPTION

Population

The 2020 population of both Chelan and Douglas Counties is estimated at 123,410 persons; 79,660 to be found in Chelan County and 43,750 in Douglas County. Here is a breakdown by county:

April 1, 2020 Population of Chelan and Douglas Counties

Jurisdiction	2010 Population Census	2011 Population Estimate	2012 Population Estimate	2013 Population Estimate	2014 Population Estimate	2015 Population Estimate	2016 Population Estimate	2017 Population Estimate	2018 Population Estimate	2019 Population Estimate	2020 Population Estimate
Chelan County	72,453	72,700	73,200	73,600	74,300	75,030	75,910	76,830	77,800	78,420	79,660
Unincorporated Chelan County	30,498	30,500	30,680	30,960	31,090	31,580	32,075	32,325	32,730	33,110	33,630
Incorporated Chelan County	41,955	42,200	42,520	42,640	43,210	43,450	43,835	44,505	45,070	45,310	46,030
Cashmere	3,063	3,075	3,075	3,055	3,010	3,040	3,040	3,075	3,095	3,100	3,165
Chelan	3,890	3,930	3,940	3,955	4,020	4,045	4,115	4,150	4,210	4,265	4,355
Entiat	1,112	1,135	1,135	1,140	1,140	1,155	1,180	1,195	1,205	1,255	1,290
Leavenworth	1,965	1,970	1,970	1,970	1,970	1,980	1,990	2,015	2,030	2,040	2,080
Wenatchee	31,925	32,090	32,400	32,520	33,070	33,230	33,510	34,070	34,530	34,650	35,140
Douglas County	38,431	38,650	38,900	39,280	39,700	39,990	40,720	41,420	42,120	42,820	43,750
Unincorporated Douglas County	20,399	20,590	20,760	21,060	21,430	21,610	22,095	22,645	23,240	23,780	24,580
Incorporated Douglas County	18,032	18,060	18,140	18,220	18,270	18,380	18,625	18,775	18,880	19,040	19,170
Bridgeport	2,409	2,405	2,415	2,425	2,445	2,455	2,480	2,480	2,480	2,500	2,500
Coulee Dam (part)	187	185	185	185	185	185	185	185	185	185	185
East Wenatchee	13,190	13,220	13,280	13,350	13,370	13,390	13,500	13,600	13,670	13,710	13,740
Mansfield	320	320	325	325	325	325	330	330	330	330	330
Rock Island	788	790	790	790	790	865	965	1,005	1,040	1,130	1,220
Waterville	1,138	1,140	1,145	1,145	1,155	1,160	1,165	1,175	1,175	1,185	1,195

Source: Office of Financial Management, Forecasting and Research Division

Education

In addition to the K-12 schools within the region, higher education, offering associates degrees, is provided through Wenatchee Valley Community College. The campus is located in the City of Wenatchee.

Central Washington University has a center located at Wenatchee Valley College. This partnership provides the opportunity for students to earn their first two years towards a bachelor's degree at Wenatchee Valley College and stay on campus to complete their bachelor's degree at CWU-Wenatchee. Central Washington University's main campus is located in Ellensburg in Kittitas County, approximately 80 miles from Wenatchee.

Medical

The Wenatchee area serves as the regional health care core with state-of-the-art medical facilities. The medical capabilities of this region are considered among the highest quality within the State. Confluence Health/Central Washington Hospital provides a full range of services, including cardiac care, general and vascular surgery, neurosurgery, intensive care medicine, orthopedics, obstetrics and pediatrics, cancer care, dialysis, home care and hospice. The Confluence Health Clinic in Wenatchee is home to primary care physicians, obstetrical physicians, a Walk-in Clinic, a cancer treatment center, comprehensive radiology, clinical laboratory services and a research department. It also offers a surgery center and an acute rehabilitation center in addition to medical and surgical services.

Transportation

Transportation is provided by a network of state, county and interstate routes. State Highway 97, a major north/south route from California through to Canada travels through Chelan, Douglas and Okanogan Counties. State Highway 2, a major east/west route through the state also traverses Chelan and Douglas Counties. Interstate 90, a major east/west interstate route, travels through Grant County and the community of Moses Lake.

REGIONAL AND NEIGHBORHOOD DESCRIPTION

North Central Washington's regional airport, Pangborn Memorial Airport, connects the North Central Washington region to the national and international air transport systems. Pangborn is currently served by Alaska Airlines/Horizon Air with daily service to Seattle.

Burlington Northern Santa Fe Rail, the second-largest freight railroad network in North America, has routes that provide high-speed links between the western and eastern United States. Passenger service is provided by Amtrak's Empire Builder line with daily scheduled stops in Wenatchee.

Northwestern Trailways, an intercity bus service serving Washington and Idaho, offers inbound/outbound service with two daily stops in Wenatchee.

Also serving the communities in both Chelan and Douglas Counties is the Link Transit service. Based in Wenatchee, Link transports passengers for a nominal fare by bus throughout the Wenatchee/East Wenatchee area, as well as the communities of Rock Island, Quincy, Waterville, Leavenworth, Chelan and Manson, making stops at most other communities between Wenatchee and these destinations.

Climate

The area enjoys four distinct seasons, and the Wenatchee Valley enjoys 300 sunshine-filled days a year.

The climate is influenced by topography, principally the Cascade Mountain Range to the west, which provides a barrier between storm systems crossing the North Pacific into this region. Approximately two-thirds of the annual precipitation falls in the form of snow from October through March. The driest months are July and August.

The dryland farming plateau relies upon fall rain, winter snowfall and spring moisture for adequate moisture to provide production and sustain crops through the spring months awaiting the summer harvest.

In the lower valleys, afternoon temperatures during the warmest summer months range from 80 degrees to 90 degrees Fahrenheit, with maximum temperatures on occasion reaching as high as 95 degrees or higher. In the mountains, temperatures can be expected to be much lower.

In the winter months, October through March, afternoon temperatures range from 15 degrees to 40 degrees Fahrenheit. Maximum daytime temperatures are below freezing on an average of 15 to 25 days, and minimum temperatures dip below freezing most nights from mid-November to mid-March.

Recreation / Tourism

The ideal climate conditions within the region, as well as its proximity to the metropolitan areas of Puget Sound, have made the region one of the most sought-after recreational areas within Washington State.

White water rafting on the Wenatchee River is a popular activity during the spring and summer months. This has become a fairly large recreational activity in the region with a number of river guide companies operating successfully each season. Rafting trips usually begin in the early spring and continue as long as river levels permit, usually into August.

REGIONAL AND NEIGHBORHOOD DESCRIPTION

Mission Ridge is located just south of Wenatchee and is a highly regarded ski facility for quality of snow within the Pacific Northwest. Other downhill ski areas within a short driving distance are Stevens Pass and Snoqualmie Pass. The Leavenworth, Lake Wenatchee, and Lake Chelan areas are popular locations for cross-country skiing.

Also located in Wenatchee, the Greater Wenatchee Regional Events Center (Town Toyota Center) hosts concerts and various venues throughout the year. It is also the home of the Wenatchee Figure Skating Club, Wenatchee Curling Club and the Wenatchee Wild a British Columbia Hockey League team.

The Apple Capital Loop Trail is a 10-mile-long picturesque loop along the east and west shores of the Columbia River in the Wenatchee and East Wenatchee area. The trail is well used for walking, jogging, skating, and riding bicycles. Just off the Loop Trail is the new Pybus Public Market, a remodeled historic steel warehouse. The market features nearly 20 tenants, including several restaurants and the Wenatchee Valley Farmers Market. People biking, running or walking the loop trail can stop by to enjoy post-activity refreshments. Pybus is fast becoming a hub for recreational activities and events.

A tourist activity which has grown exponentially in recent years is the burgeoning Wine industry. There are now approximately 45 wineries throughout the area which offer wine and wine related activities. These wineries are widely recognized as a major tourist attraction in the region and have had a growing economic presence in the area.

Conclusion

The Greater Wenatchee/East Wenatchee area has an economic strength that will add to the economy of North Central Washington well into the future.

There continues to be a diverse group of major employers in the area and an increase in non-farm jobs has recently been experienced. The recent addition of new businesses in the area would appear to indicate that the economy is growing steadily.

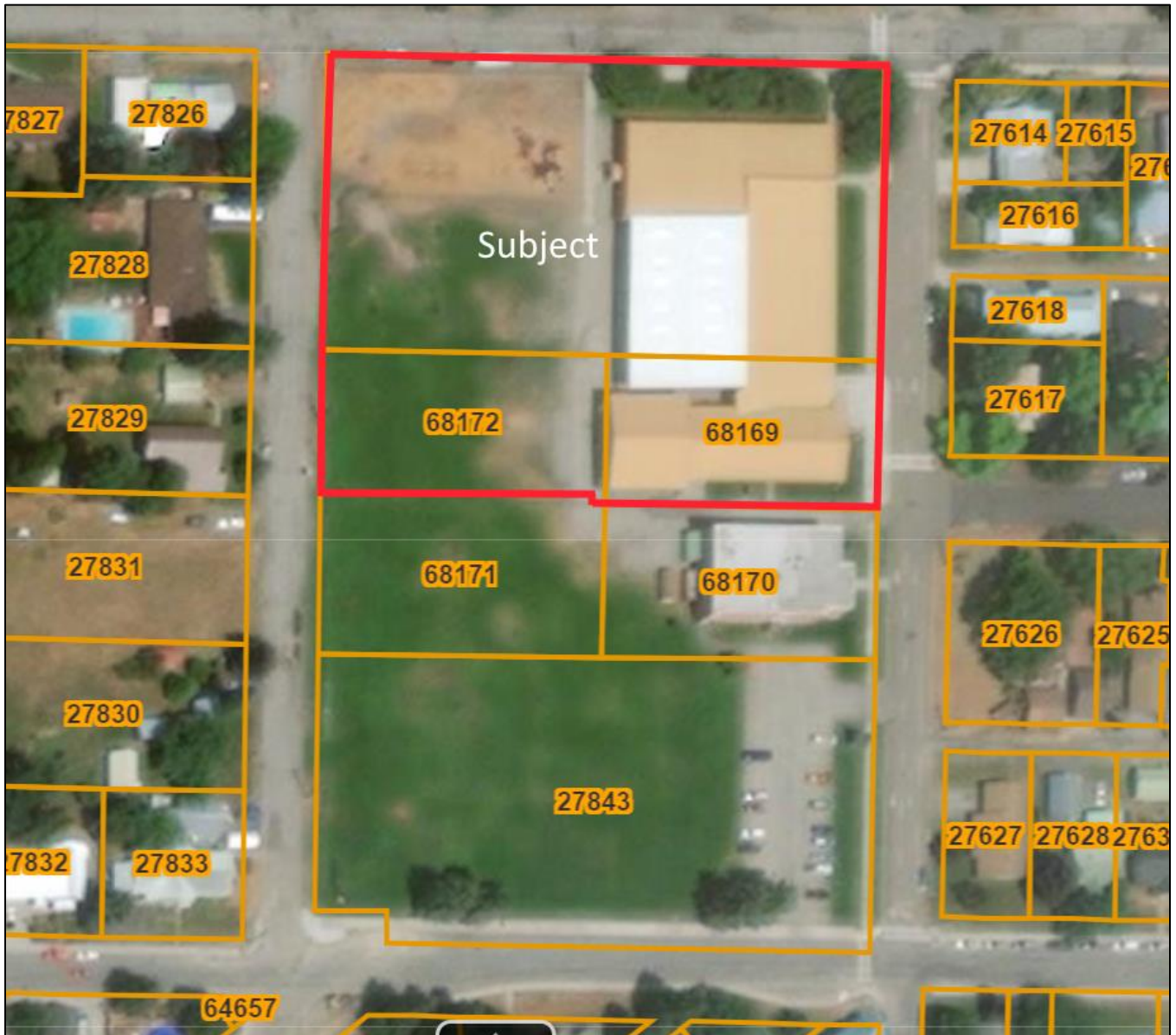
Several modes of transportation including an airport and a good network of major highways interconnect North Central Washington with other parts of the State. Considering this along with the recreational opportunities and the other facts mentioned previously, the area is considered to be generally strong from an economic point of view.

Neighborhood Description

The subject is situated in a residential district of Leavenworth which was developed years ago. Most areas have been built out with the exception of a few parcels which could support modest development. Many of the standalone lots have sold, and new construction has or is occurring on these properties. There are signs of older homes being remodeled or redeveloped to meet modern standards of today's residential buyers. Most residential growth has occurred in the southwest and northeast sections of town. The Meadowlark development has been scrapped and the property is in a holding pattern. A new 38-lot development has been constructed on north of Pine Street and many new speculative and custom homes have been completed with many more under construction.

The residential areas of Leavenworth have very limited commercial activity. Most commercial activity is found along Highway 2, Highway 207, and in the downtown core. Other non-residential uses include churches, schools, parks, and a fitness center.

PLAT MAP



Assessed Value and Taxes

Parcel No.	Area (sf)	Area (ac)	Land AV	Improv. AV	Total AV	2021 Taxes
241701680397*	79,740	1.8306	\$ -	\$ -	\$ -	\$ 25.00
241701680398	18,874	0.4333	\$ -	\$ -	\$ -	\$ 25.00
241701680401	17,931	0.4116	\$ -	\$ -	\$ -	\$ 25.00
Total	116,545	2.6755	\$ -	\$ -	\$ -	\$ 75.00
*Subject includes only the northern portion of of this 3.65 acre parcel						

Site Description

The subject property is nearly rectangular in shape, the exception is a slight jog in the southern boundary. The property measures 116,546 sf or approximately 2.68 acres in size.

Access and Street Improvements

The subject property is surrounded by 3 streets which are all maintained by the City of Leavenworth. Streets include Central Avenue on the East, Orchard Avenue on the West, and Birch Street on the North. Central Avenue, Evans Street, and portions of Birch Street have curbs, gutters and sidewalks. The west half of Birch Street and the entire length of Orchard Avenue does not have curbs, gutters or sidewalks. There is one curb cut leading into the subject property at the southern boundary between the former school and administration building.

Utilities

The subject property is in the city limits of Leavenworth feature domestic water, sanitary sewer, electricity and telecommunications. Natural gas is not served to the city.

Zoning

The subject property lies within an area designated as Residential Low Density 6,000 (RL6), under the jurisdiction of City of Leavenworth.

This is a restricted residential district of low density in which the principal use of land is for single-family dwellings, together with recreational, religious, and educational facilities required to serve the community. The regulations for this district are designed and intended to establish, maintain and protect the essential characteristics of the district, to develop and sustain a suitable environment for family life where children are members of most families, and to prohibit almost all activities of a commercial nature and those which would tend to be inharmonious with or injurious to the preservation of a residential environment.

Permitted uses include single family dwellings, garages, carports, work and/or storage sheds for non-commercial use, swimming pools, accessory dwelling units, family day care, public parks, mini-day care, adult family home, home occupation, and two-family dwellings.

Uses requiring a conditional use permit include churches, day care center, educational institutions, mini-day care, community center, public library, public recreation, museums/galleries, golf courses, educational centers, day nurseries/ nursery schools, hospital, manufactured home park, public utility structures, bed and breakfasts, wireless telecommunication facilities.

Minimum Lot Area:	6,000 sf (single-family dwelling) or 12,000 sf (duplex)
Minimum Lot Width:	60 feet (interior lot) or 70 feet (corner lot)
Minimum Yard Setbacks:	
Front:	25 feet
Side:	5 feet
Rear:	15 feet (8 feet for lots with alley)
Corner:	For lots 6,000 sf or greater in size, the street side yard shall be a minimum of 10 feet, and at least one rear yard setback shall be provided. For lots less than 6,000 sf in size, the street side yard shall be a minimum of 5 feet and at least one rear yard setback shall be provided.
Maximum Building Height:	35 feet
Maximum Lot Coverage:	35%

According to these standards a school is permitted as a conditional use. The current building would potentially occupy 22% of the property which is less than the maximum 35%.

Soils and Topography

Soils are of unknown origin but believed to be sufficient to support commercial structures as evidenced by the school. The topography of the site is level.

Flood Designation

The subject property is situated within Flood Zone X (unshaded), recorded on FEMA Map Panel No. 5300190779C, dated July 2, 2002. This flood zone is described as an area of minimal flood hazard, outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood.

Easements and Encroachments

A title report was not provided to the appraisers. There were no apparent easements or encroachments encumbering the subject property.

Environmental Hazards

The appraiser is not an expert in environmental hazard issues and reference is made to paragraph 7 of the Assumptions and Limiting Conditions section of the report.

Upon inspection there were no apparent environmental hazards of note. Teresa Disher of the District indicated that there is known Asbestos in the crawl space of the building. It is monitored on a constant basis, and has been essentially encapsulated. Ultimate redevelopment will likely trigger abatement. Abatement costs were not identified.

Phase 1 Site assessment

October 2020 – The site was inspected July 15, 2020 and one REC was identified. It is characterized as a former underground storage tank on land south of the subject. It previously contained gasoline and could have released material to subsurface. Records from Department of Ecology could not be found nor could soil samples.

Two utility tunnels are located beneath the northern wing of the school building. Signs indicate the presence of asbestos in tunnels. These areas are not accessible from within the building.

Hazardous Material Survey Report – July 31, 2020

The executive summary indicated there are no asbestos containing materials other than that known to be present in the utility corridor under the northern wing. There was lead-containing paint in cabinets in rooms 5, 6 and 7. There were also 637 potentially Mercury containing light tubes.

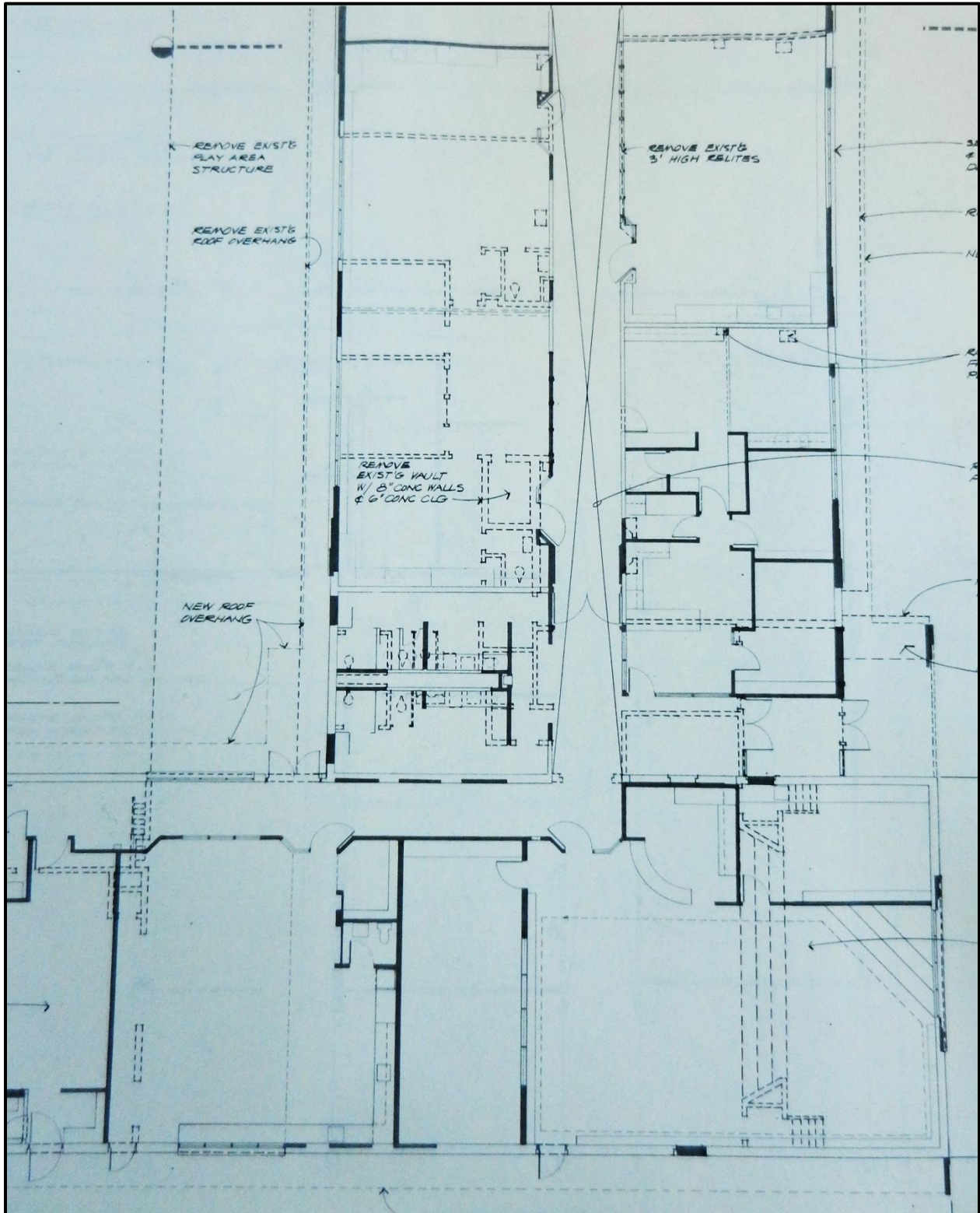
Final Report AEG Osborn Elementary – December 14, 2020

The results of this analysis were that gasoline in the soil was undetectable.

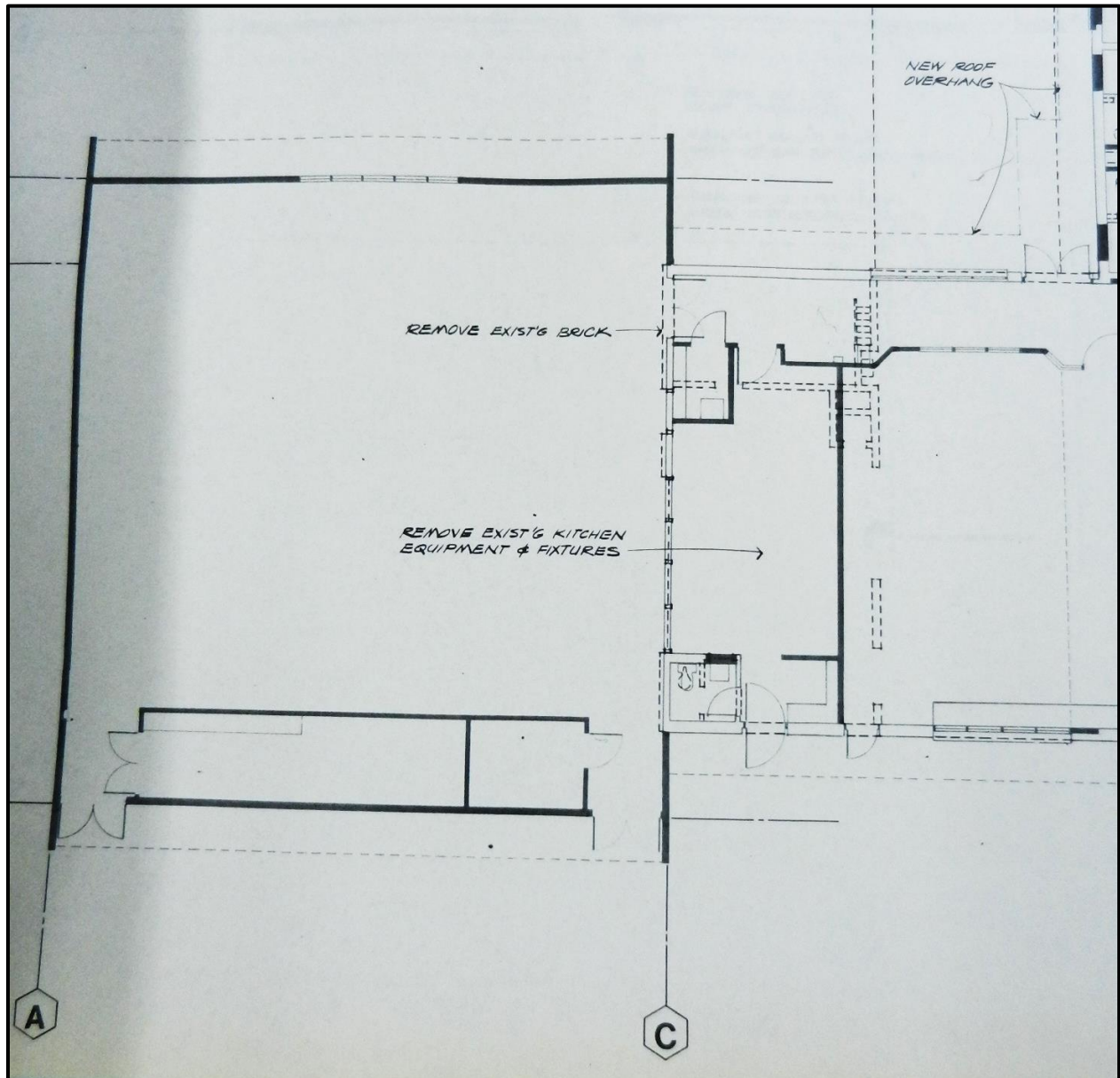
SITE PLAN (APPROXIMATE)



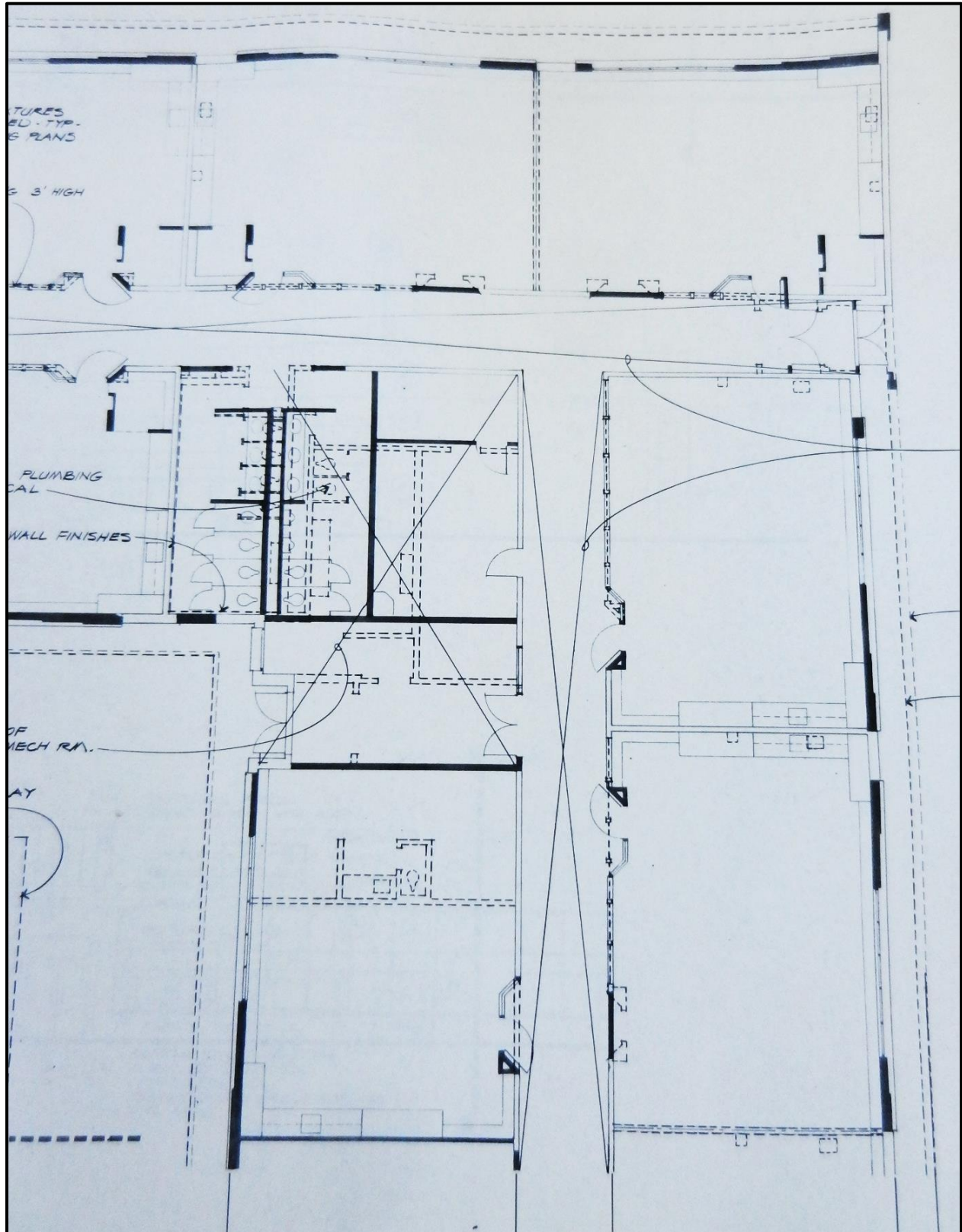
FLOOR PLAN – EAST WING/SOUTH WING



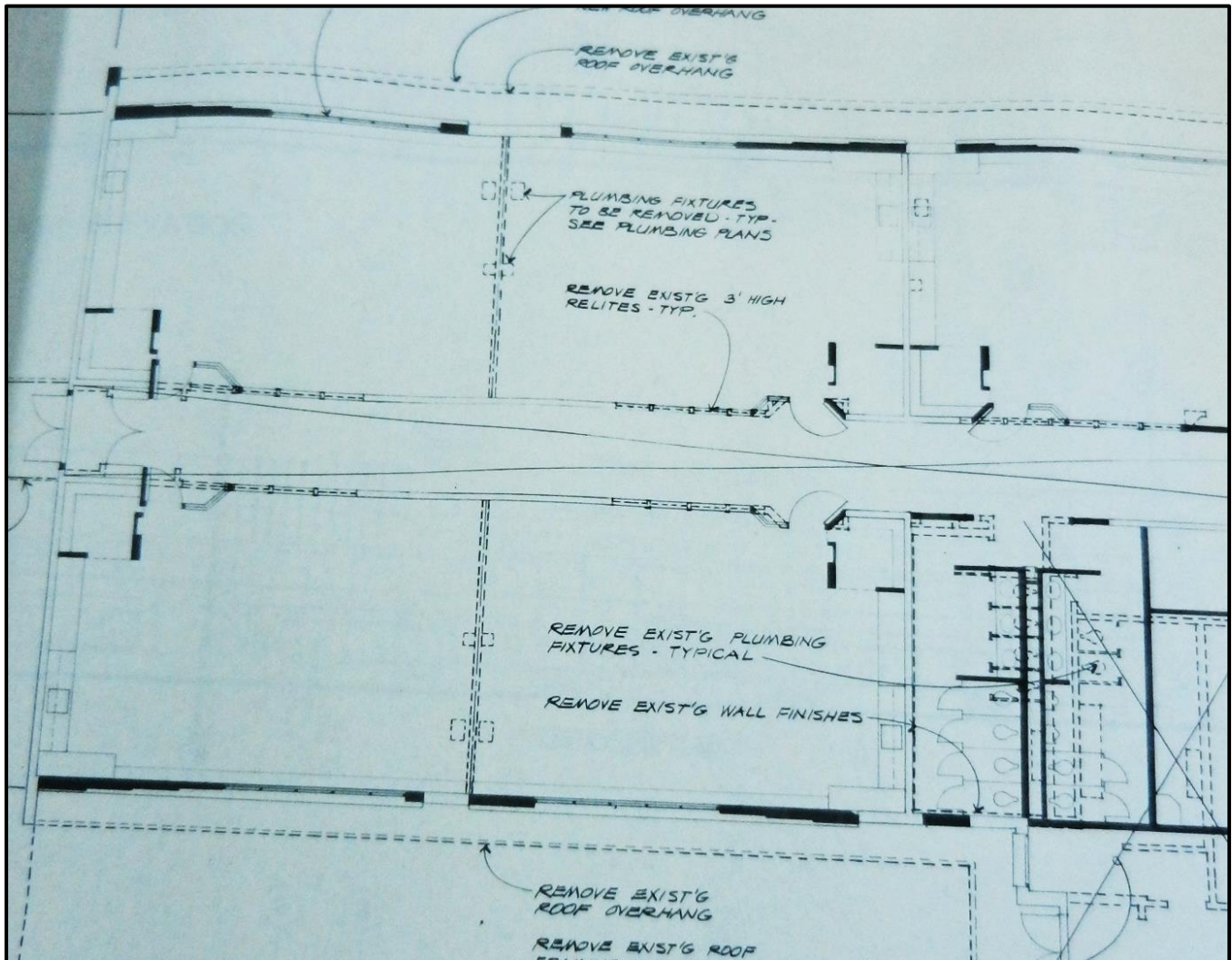
FLOOR PLAN – SOUTH WING/MULTI-PURPOSE ROOM



FLOOR PLAN – EAST WING/NORTH WING



FLOOR PLAN – NORTH WING



Improvements

Former Osborn Elementary School

The main section of school was originally constructed in 1955. The multi-purpose room was added in 1983 when the last major update to the facility occurred. At that time, the roof, exterior siding, and mechanical equipment as well as interior decorating were also updated.

The building measures 25,328 sq. ft. and is configured in a horseshoe shape. The southern wing of the building is improved with a multi-purpose room, kitchen, classroom and library. The center wing is improved with two restrooms, main office, faculty room, and classrooms. The north wing is improved with classrooms and two restrooms.

This is a single-story masonry structure. The exterior walls are partially covered with stucco like material and portions remain brick. The roof is a combination of either shed or gable style with a shallow pitch. The roof covering is noted in the architectural drawings as a standing seam metal covering.

Windows are double pane aluminum clad units throughout. According to the maintenance personnel these windows would provide difficult egress for students in an emergency.

Exterior doors are solid core commercial grade units with self-closing and panic hardware. Each has a $\frac{3}{4}$ glass panel for visual safety. All doors appear to be in average working condition. Interior hallway doors are installed for fire safety but do not have lock down capabilities. Interior classroom doors are solid core units without windows. Each has locking hardware.

The entire building is believed to be commercially plumbed. All exposed fixtures are of commercial grade units and appear to be in average condition. According to Teresa Disher who is in charge of facilities, the plumbing does show signs of corrosion and there are leaking joints. Also noticed was signs of a single leaking spigot along the east wall of the building.

All electrical components appear to be in average working condition. Lighting in the building consists of a combination of primarily fluorescent and halide style fixtures. All provide good illumination throughout. I was not able to view the main electrical panel, but it appears that the building has enough power based on the historic use.

All floors are on a concrete slab and covered with either tile (restrooms), commercial grade vinyl, or commercial grade carpeting. All floors appear to be in average condition.

The building is fitted with an electrically fired heating and ventilation system only. There is no air conditioning in the building. This system was last updated in 1983 and is in serviceable working condition. Upon last inspection, teachers indicated that the system does not efficiently heat the structure and causes variable temperatures in the building. The system is either roof mounted or mounted in the ceiling. Ductwork runs above the central hallways branching into individual rooms.

There are four main restrooms in the building, two in the central wing and two in the north wing. Each feature multi-stalls including toilets and urinals. There are also two sinks in each. Classroom 13 has a single restroom and there is one faculty only restroom. All restrooms feature good quality toilets, urinals and sinks, each feature commercial grade hardware. Sink counters are of laminated material. Each has a large mirror, soap and towel dispensers. Floors are covered with small ceramic tile with tile floor trim. Walls and ceilings are improved with painted drywall and portions are covered with ceramic tile. Lighting is provided by flush mounted fluorescent fixtures.

Individual classrooms feature an open layout and are rectangular in shape. The outside wall features windows and shelving. Other walls are covered with painted drywall. Most rooms feature an accordion style wall which can open and can combine two rooms. Each room has a wall covered with laminate style cabinets, shelving and a sink. Floors are covered with a combination of commercial grade carpeting and commercial grade vinyl, which appears to be in average condition. Each room features a suspended acoustical ceiling with inset fluorescent fixtures. Each room features a telephone connected to the office.

Hallways are improved with painted sheetrock walls, commercial grade carpeting and suspended acoustical ceilings. Lighting is provided via ample fluorescent fixtures.

The Multi-Purpose room is the largest open room in the building and features a vaulted ceiling. Walls are covered with wood or wood like material. The ceiling is improved with a vaulted style suspended ceiling which has halide style can lights. The floor is painted in gymnasium style featuring lines for many sports. This room is used as a lunchroom, auditorium and gymnasium.

The kitchen is located directly next to the multi-purpose room and features stainless steel sinks, serving counters, and a stainless-steel dishwashing station. It is my understanding that the food was not cooked at this location but rather transferred in from another location. Floors are covered with a commercial grade vinyl. Walls are painted sheetrock and lighting is provided via ceiling mounted fixtures.

On the south wing is a faculty lounge which has tables, chairs, and counters along with a small cabinet bay with a sink. Room finish is similar to that found in the classrooms. Next to the lounge is the library. This is an open style room with tables, chairs and mostly wall mounted bookshelves. Directly next to the library is a computer lab. Room finish includes commercial grade carpeting, painted walls, acoustical ceiling and a combination of fluorescent and can lights.

Site improvements around the school include concrete and asphalt walkways and play areas. There is an automatic sprinkler system which serves the playground, and lawn areas on the east and north sides of the buildings. Playground improvements include a Jungle Gym style play area which includes bars, swings and a climbing apparatus. There is one baseball backstop. There is also a large steel framed covered play area on the west side of the building. This area is used for outdoor recess during times of poor weather. The structure appears physically sound but is showing signs of wear and roof leakage.

Deferred maintenance items noted include a signs of peeling paint, leaky roof, and seasonal flooding due to roof drainage issues. There are many locations where the fascia and soffit are damaged and suggest that other problems could be the cause. An inspection is warranted for some of these items.

Other items of note include the general condition of the suspended ceilings which are showing signs of showing signs of sagging and worn panels. There are also signs of some water staining indicating roof leakage. The mechanical equipment is functional now but has a short remaining functional life. These improvements were installed new in 1983 and are roughly 38 years old. Portions of the double pane windows have lost their air seals and have had moisture penetration.

Based on the fact that the last major updating occurred some thirty years ago, and the building is showing signs of both deferred maintenance and failing components, the remaining economic life is estimated to be 10 years. With updating and repairs this life could be extended. Overall building condition is judged as fair.

Lease Agreements

The property is not leased.

Highest and Best Use is defined as follows:

"The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity." ⁴

The purpose of determining Highest and Best Use of land "**As If Vacant**" is to provide an analysis identifying potential use and/or uses of the property, which dictates its value. In cases where the site has existing improvements, "**As Improved**" it is possible that the highest and best use may be different than the existing use. However, in theory the existing use will continue until the land value in its highest and best use exceeds the total value of the property in its existing use. The four criteria utilized in the analysis of highest and best use are addressed in the following text.

As If Vacant

As a vacant tract of land, the subject would be one of the larger single ownerships within the general core area of the city. While there are larger tracts, most are located outside the city limits and in the Urban Growth Area (UGA) of the city or just outside the UGA. Typically, those properties outside the city limits require annexation and extension of services prior to being subdivided. The subject, being in town, is readily served by all city services and would allow immediate development.

The property is bounded by 3 city streets and has complete infrastructure and utilities directly available. The property is level and at street grade. There are no signs of any wetland or other items which would need to be mitigated.

The subject property is situated in an RL-6 zone which is designed for uses which are harmonious to the residential environment. Permitted uses include single family residential and two-dwelling residential. Other uses allowed include school, daycare facilities, adult family homes, religious facilities, community centers, libraries, and government use. Not allowed in the district would be such things as office buildings for private use, storage buildings, retail or other commercial ventures.

In speaking previously with the former City Planning Director, he indicated that this property would not be a candidate for a zone change. Because the property is bounded by residential uses on all sides, a zone change would not likely be granted. Therefore, the potential number of uses is limited to those allowed in the RL-6 zone.

The financial feasibility of any project is directly related to the economic reward the project would generate. It is believed that with the housing needs and continued growth within the Leavenworth Community, single family residential use is a financially feasible use. There are examples of new developments being planned in the Titus Road area of the City. Pinegrass Development is one example. This is a 38-lot private development constructed over the last couple of years. There are a number of privately held ownerships primed for development in the Titus Road area and the former Brender Property, which is currently being developed. A new apartment complex is also under construction near the Safeway development. All of these properties provide evidence of expectations in the area for continued residential growth and that residential use is feasible.

Other potential users of the property, as vacant, could be religious facilities, schools, community centers, government buildings, libraries or day care facilities. A survey of these types of users has resulted in very little interest or demand for the property. It is possible, though that if the property was segregated, one or more of these users may step forward and have a need for a portion of the property.

⁴ Definition from Dictionary of Real Estate Appraisal, Sixth Edition, 2015, published by the Appraisal Institute

In conclusion, if the subject property were vacant, the most likely use of the property would be for residential use oriented to single and two-dwelling residential use. These uses may be supplemented with a public feature such as a park, library, or other public use as allowed by the zoning ordinance.

As Improved

The subject property is improved with a former aging school building measuring 25,328 sf plus 10,373 sf of covered playground. The former school was originally constructed in 1955. The last major update to the buildings occurred in 1983 effectively making them 38 years old. This building is nearing the end of its economic life and will require either removal from the site or major updating. It was stated by the school district that there are significant issues with the roof, plumbing, windows, exterior siding, paint, and mechanical equipment. All of which will need to be addressed soon.

The building does not meet current school standards. Items missing include security lock down features, hot water plumbing to classrooms, air conditioning, proper classroom window egress, energy efficient plumbing and lighting, and adequate building size.

As can be seen, as an elementary school, the buildings have reached the end of their economic lives. Significant financial investment is needed to extend the lives of the buildings.

Traditionally, as properties age and specifically schools, their ultimate redevelopment is generally to another use excluding instructional functions. The property as an elementary school is undersized. This is evident by the fact that overflow classrooms had been added to the 2nd floor of the administration building.

Portions of the buildings could be saved and redeveloped into other uses. The classrooms are of sufficient size and layout to be converted to office space, day care, or pre-school type uses. Other special uses may include a library or museum which could be adapted. The school building could be adapted to a religious facility which could include a church and/or school.

Viewing the opportunities from a legally permissive standpoint needs to be carefully considered as they relate to the RL-6 zoning designation. While office use is allowed, it is only allowed in conjunction with a school, church, or government entity. Private office use such as attorney, insurance, real estate, etc... are prohibited. Also prohibited would be the conversion of the buildings into apartments or condominium type uses.

In an attempt to measure demand for the existing structures I have interviewed numerous potential users from around the area. The search included hospitals, clinics, schools, religious organizations, local and regional government users. Findings from this survey are shown as follows:

Previous discussion with Steve Vaughn, Real Estate Specialist with the Chelan County PUD indicated that there is no current demand for facilities in the Leavenworth area. Their existing district office in town is only partially filled and has excess supply and therefore they have no demand for the buildings. Their plan is to relocate most facilities to a new campus in the Old Station area of Wenatchee.

Cascade Medical Center was surveyed and indicated that they have no expansion plans on the near horizon. Also she indicated that having another site in-town could jeopardize the critical access care funding they are receiving. For these reasons, there is no demand from the medical center for the subject building.

Chelan Douglas Child Services of Wenatchee indicated that they are always looking for additional facilities if there is a need. Christy Walt, Director, indicated that she would likely locate any new facilities in Peshastin at the location of their current site. They would not need as much space as the subject.

Information from the US Forest Service office indicates that they are likely downsizing and would not have demand for a building of this size.

Three local private schools were surveyed and each indicated that there was no demand for the subject buildings. Each has sufficiently sized facilities and there are no plans for growth or the need for other buildings.

In the past, The City of Leavenworth has indicated interest in possibly moving the library to this location and this is believed to continue to be the case as the City has shown interest in purchasing the building and property.

In reviewing sales of other older churches and schools around the state, many purchases are made for day care centers, private schools, churches, or community center type uses. Most of the buyers are located in and around the property, and little demand is drawn from outside the area. Typically, the prices paid reflect buyers risk of updating the buildings sufficiently to extend the economic life. In some cases, this means total rehabilitation and in other cases means use the buildings as-is.

As can be seen, based on this survey, there is little known demand for the subject buildings in their entirety. The only likely users would be a combination of users each possibly taking a portion of the buildings. These would include, pre-school, day care, private school, church or even the City of Leavenworth. There may be a chance that with proper marketing, users from outside the area could use the buildings and adapting it to their specifications.

In determining whether the subject improvements contribute to the overall value of the property, I have reviewed a number of sales of older schools and religious facilities that have been purchased and sold for various uses. Following is a table showing these transactions.

Buyer	Location	Sale Date	Sale Price	Building Size (sf)	Overall Unit Price (\$/sf building)	Land Size (sf.)	Site Coverage Ratio	Age	Condition	Prior Use	Future Use	Zoning	Marketing Time
Malott Investments	7 School St. Malott, WA	5/22/2006	\$ 150,000	14,982	\$ 10.01	160,301	9%	1951	Fair	Former School	Pre-School	Min. Req.	Unknown
Emerald City Green Machine, LLC	7 School St. Malott, WA	10/3/2016	\$ 419,900	14,982	\$ 28.03	160,301	9%	1951	Average	Pre-School	Pre-School	Min. Req.	5 Year Listing selling in 2016, currently re-listed
E.Wen Investments	460 NE 9th St. East Wen., WA	2/15/2006	\$ 1,150,000	103,995	\$ 11.06	341,510	30%	1949, -77	Fair	Former School	Office/Gym	RO	Unknown
City of Wenatchee	511 S. Chelan Ave. Wenatchee, WA	9/11/2003	\$ 1,237,000	11,860	\$ 104.30	115,250	10%	1921 & 2001	Average	Church	Community Center	GC & R3	Tenant Purchase
Wenatchee School District	1911 N. Wen Ave. Wenatchee, WA	3/9/2012	\$ 938,100	17,826	\$ 52.63	30,056	59%	1979 & 2005	Good	School	School	Industrial	N/A
Wenatchee School District	1510 9th Street Wenatchee, WA	3/2/2012	\$ 2,922,000	19,698	\$ 148.34	350,222	6%	1985	Average	School	School	RH	N/A
Wenatchee School District	327 East Penny Rd Wenatchee, WA	8/28/2009	\$ 4,006,800	45,749	\$ 87.58	186,872	24%	1974, -89	Good	School	School	Industrial	Tenant Purchase
Ellensburg Christian School	407 S. Anderson Ellensburg, WA	11/9/2005	\$ 285,000	7,271	\$ 39.20	24,000	30%	1952	Fair/Avg.	Day Care	School	RM	2 year marketing
Old Hospital LLC	812 Poplar Ellensburg, WA	1/14/2006	\$ 90,000	14,000	\$ 6.43	21,000	67%	1918	Fair	Office	Unknown	RM	6 year marketing
Tim Kay, Etux	119 W 5th St. Ellensburg, WA	10/31/2014	\$ 300,000	15,510	\$ 19.34	Unknown	Unknown	1923				Comm.	3 Year marketing with reduced prices
Norman Family Cookies LLC	261 Hiland Rd. Tieton, WA	3/19/2013	\$ 239,900	17,000	\$ 14.11	53143.2	32%	1965	Fair	Church	Events Center	Unknown	Unknown
IECE Church	1215 W. Court St. Pasco, WA	10/13/2009	\$ 250,000	10,411	\$ 24.01	56,628	18%	1955	Good	Church	Church	RM	Unknown
Destiny City Church	1301 E 34th St. Tacoma, WA	7/18/2013	\$ 325,000	44,800	\$ 7.25	159,750	28%	1967	Fair Shell	Former School	Church	R-2	Auction
Cascade Christian Schools	15418 96th St. E Sumner, WA	8/13/2013	\$ 795,000	36,144	\$ 22.00	440,827	8%	1992 Rem.	Average	Former School	School	Res.	6 months
South Sound Church of the Nazarene	1416 26th Ave. NE Olympia, WA	7/27/2012	\$ 725,000	11,600	\$ 62.50	335,420	3%	1954		Private School	School	Res.	4 Years
Cedar Springs Community Church	25713 70th Avenue Graham, WA	10/4/2016	\$ 650,000	20,928	\$ 31.06	152,460	14%	1982	Average	Private School	Church	Res/comm	4+ years
Spokane Valley Christian School	10212 East 9th Ave Spokane Valley, WA	7/20/2017	\$ 4,410,000	155,700	\$ 28.32	1,030,630	15%	1984 eff.	Fair	School	School	Res.	1 year
School Yard Billy, LLC	120 North Magnolia Spokane, WA	8/17/2016	\$ 950,000	49,852	\$ 19.06	108,900	46%	1960's	Fair	School	redevelopm	Comm.	6 months
				Max	\$ 148.34								
				Min	\$ 6.43								

These 18 transactions represent older church, school and hospital facilities located around the state. The buildings range in size from a low of roughly 7,000 sq. ft. to a high of 156,000 sq. ft. The smallest sale was located in Ellensburg and was last used as a day care facility and then sold to be used for a Christian School. The largest property represented a high school in Spokane Valley that was closed at the time and sold to a new school.

Most of these facilities were purchased for schools, pre-schools, and churches. The condition of the buildings ranged from fair condition in which the buildings required significant work, to good condition whereby the purchasers were able to use the buildings in the current state.

Those properties in fair condition, requiring work ranged from a low of \$6 p/sq. ft. to a high of \$19 p/sq. ft. Properties in average condition ranged from approximately \$10 p/sq. ft. to \$39 p/sq. ft. Properties in good condition sold for as much as \$148 p/sq. ft.

Considering the subject's current condition and needs for remodeling, I believe a typical user would need to repair/replace most if not all major components. These would include the roof, mechanical equipment, plumbing and windows. Based on this assessment this property would fall into the fair classification and command a rate of say \$25 p/sq. ft. Applying this unit rate to the overall building area results in a total value for the property as follows:

$$25,328 \text{ sq. ft. of Building} \quad \times \quad \$25.00 \text{ p/sq. ft.} \quad = \quad \$633,200$$

For the purposes of highest and best use, the indicated value of the subject property "As Improved" is \$633,000.

The next step in the process is to value the subject property "As Vacant". As will be seen in the sales comparison approach, the indicated unit value is noted as \$150,000 per acre. Applying this unit value by the site size results in an overall value calculated as follows:

$$\$150,000 \text{ per acre} \quad \times \quad 2.68 \text{ acres} \quad = \quad \$402,000$$

This value must be discounted by the demolition and removal costs of the buildings which has been estimated via Marshall Swift Cost Guide Service. The cost for demolition and removal is shown in Section 66 page 11. Class C buildings range from a lot of \$4.54 p/sf to a high of \$6.75 p/sf. Using an average of these 2 numbers I believe that \$5.65 p/sf. is reasonable. Applying this unit rate over the entire building area, results in a total cost for demolition and removal of \$143,103. Adding another estimated 10% for dumping fees, results in a total cost of \$157,500.

Subtracting the demolition and removal costs from the total, results in an As-Is value of \$244,500.

As can be seen, the value of the property As-Improved is greater than the property As-Vacant indicating that the subject improvements, in their current condition, contribute to value.

Conclusion

It is believed that the maximum utility of the property would be to keep some or all the existing improvements and market them to potential users as allowed in the RL-6 zoning district. It must be recognized that the potential number of users is few and that use of the existing buildings may include all or part of the structures.

The following valuation of the property is based upon the assumptions and limiting conditions provided. The three basic approaches to value including the Cost, Income and Sales Comparison Approaches, will be discussed as to their applicability in the appraisal process.

Cost Approach

“A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.”⁵

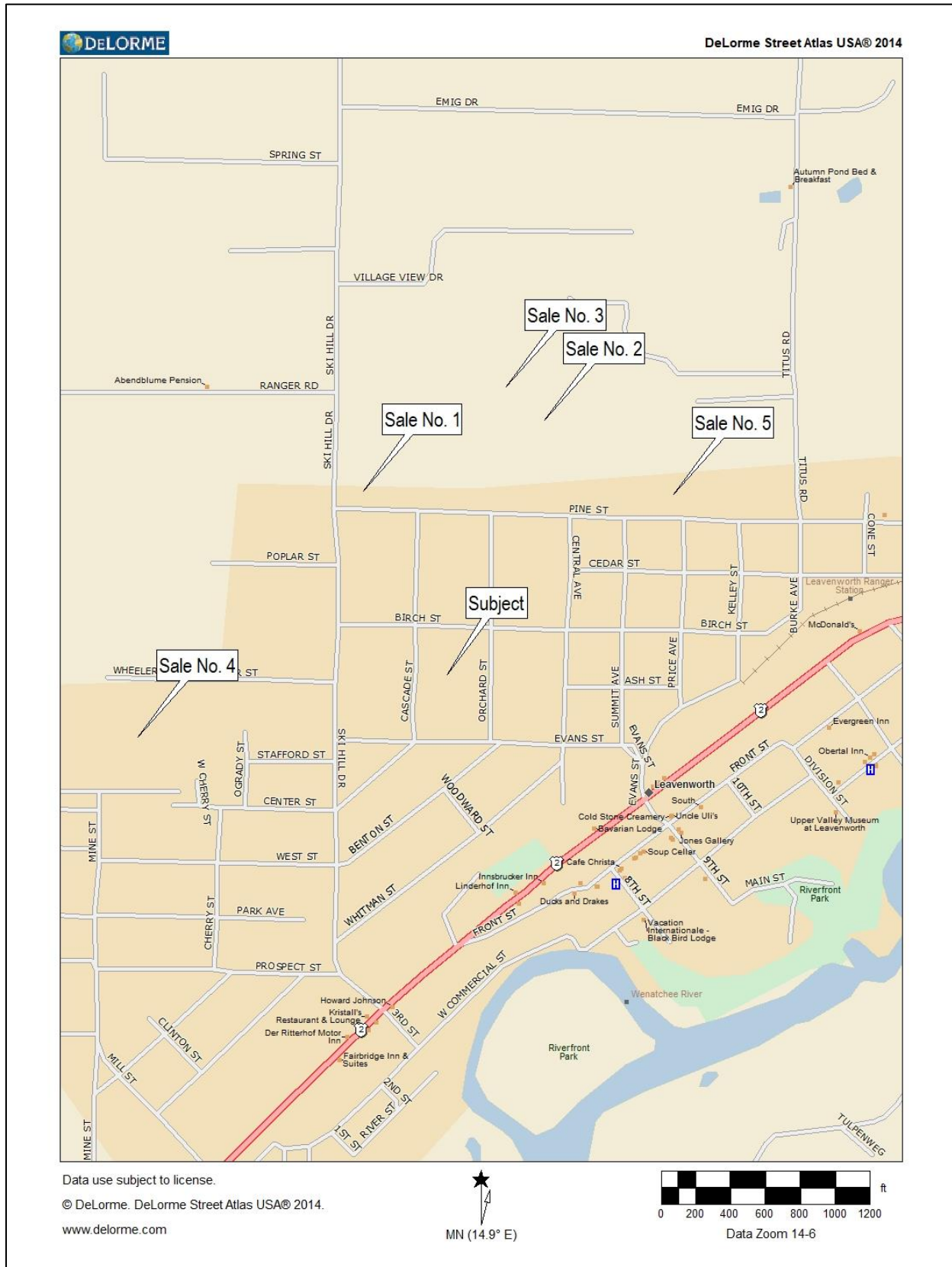
Site Value

Five sales have been selected for comparison and each is believed to be relevant to the assignment. Each has been considered for the normal elements of comparison which include property rights conveyed, financing, conditions of sale, market conditions, location, and other physical characteristics.

COMPARABLE LAND SALES						
Sale No.	1	2	3	4	5	Subject
Parcel No.	241701310150	241701320050, - 320060	241701320061	241702670201	241701320100	241701680397
Location	12132 Pine Street	10175 Ski Hill Drive	12435 Village View Dr	122 W. Center Street	12240 Pine Street	225 Central Avenue
City	Leavenworth	Leavenworth	Leavenworth	Leavenworth	Leavenworth	Leavenworth
Grantee	Prusik Investments, LLC	J&O, LLC	Stephen Speicher	Grant & Hayley Stoeber	Cascade School Dist.	
Sale Date	04/29/15	09/15/17	10/05/18	03/28/17	10/31/14	
Sale Price	\$ 430,000	\$ 2,000,000	\$ 650,000	\$ 290,000	\$ 440,000	
Size (ac.)	7.79	32.61	1.81	1.96	6.05	116,546 sf (2.68 acres)
Utilities	E, T, W, S	W,E,S,T	W,E,T	E,T,W,SWR	W,E,T	W,S,E,T
Location	Ski Hill	Ski Hill	Ski Hill	Ski Hill	Titus Road	In Town
Access	County/City Street	County Road	County Road	City Street req. imp.	County Road & City St.	3 City Streets
Topography	Level	Level to gently sloping	Level to gradual slope	Level	Mostly Level	Level
City Limits	No	UGA	UGA	Yes	UGA	Yes
Zoning	RL-6	RL-6 & RL-10	RL-10	RL-6	RL-6	RL-6
Unit Price (\$/ac.)	\$ 55,199	\$ 61,331	\$ 359,116	\$ 147,959	\$ 72,727	
ADJUSTMENTS						
Conditions of Sale	-	-	Superior	-	-	
Market Conditions	Inferior	Inferior	-	Inferior	Inferior	
Adjusted Price	\$ 71,069	\$ 71,806	\$ 401,025	\$ 176,323	\$ 95,455	
Location	-	Superior	Superior	Superior	-	
Site Size	Inferior	Inferior	Superior	Superior	Inferior	
Site Shape	-	-	Inferior	Inferior	-	
Zoning	-	Sl. Inferior	Inferior	-	-	
Utilities	-	-	Inferior	-	Inferior	
Access	-	Inferior	Inferior	Inferior	-	
Listing Status						
Site Impr. Req.	Inferior	Inferior		Likely street imp. Req.	Deed area to city	
Critical Areas		Inferior	Superior		Inferior	
Topography	-	-	-	-	Inferior	
Overall Comparison	Inferior	Inferior	Superior	Similar	Inferior	
	>\$71,069/ac	>\$71,806/ac	<\$401,025/ac	\$176,323/ac.	>\$90,455/ac.	

⁵ Definition from Dictionary of Real Estate Appraisal, Sixth Edition, 2015, published by the Appraisal Institute

COMPARABLE LAND SALES MAP



Each of the sales have been considered for the normal elements of comparison including property rights conveyed, financing terms, conditions of sale, expenditures after sale, market conditions, location and other physical characteristics.

Property Rights – Each of the sales represents a transfer of the fee simple interest where each property was unencumbered by a lease or other deed restriction. All properties sold with mineral rights and normal rights of use sought for commercial properties. There were no transfers of partial interests or leased fee interests. No adjustments are made for property rights conveyed.

Financing – In confirmation on each of the sales, all properties transferred based on cash or typical bank financing. None of the properties transferred on a real estate contract in which the price terms affected the sale price. No adjustments are made for favorable financing terms.

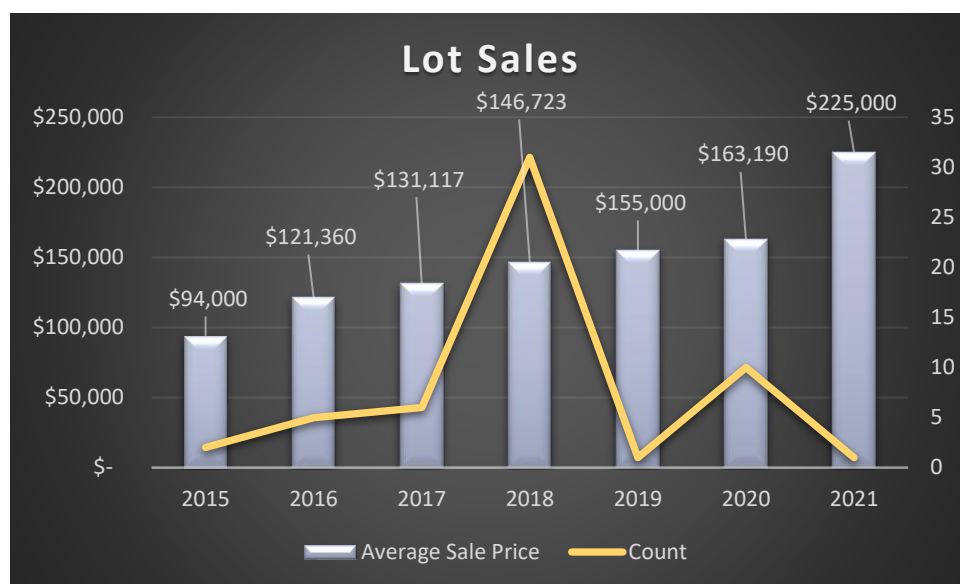
Conditions of Sale – Each sale was a negotiated transaction between two knowledgeable parties. All parties had normal motivations to either sell or buy. Sale No. 3 confirmation revealed that the purchaser had a desire to purchase that particular site and the seller believed he received a premium for it. In addition to the actual land area, the purchaser also has the right to landscape and somewhat control an area associated with the neighboring property and thus effectively purchasing more than the 1.81 acres site. Downward adjustment is made for buyer motivation and for control of additional land.

Expenditures After Sale – Adjustments such as these are typically needed when there is deferred maintenance, demolition requirements, petition a zoning change, or remediate environmental conditions. In each sale used, all properties were vacant parcels of land with general grading complete and having no environmental conditions. Sale No. 1 required the purchaser to dedicate land and install ½ the width of Pine Street including curb, gutter, and sidewalks. Sale No. 2 has some associated wetlands that will require either mitigation or the area will remain unusable upon ultimate development. Both conditions have been considered and judged as inferior. Sale No. 4 will also likely require street improvements or grant of right of way for ultimate development. Sale No. 5 required the School District to reconstruct an encroaching garage and dedicate right of way for Pine street. Both of which effectively lowered the usable area.

Market Conditions – Sales of predeveloped properties are rare in Leavenworth and as such are somewhat dated. The sales occurred between 2014 and 2018. Because sales occur at different times and values change over time, consideration must be given to the value difference between the comparable sale date and the effective date of value. Market conditions can change based appreciation, depreciation, or a change in investor perception over time. If market conditions have not changed over time, no adjustment is warranted.

In an effort to measure changes in market conditions, I have researched residential land sales which are a component of pre-developed land in the Greater Leavenworth area. Following is a table showing average price trends over the last few years.

Historical Price Trends



Year	Average Sale Price	%Change	Count
2015	\$ 94,000		2
2016	\$ 121,360	29%	5
2017	\$ 131,117	8%	6
2018	\$ 146,723	12%	31
2019	\$ 155,000	6%	1
2020	\$ 163,190	5%	10
2021	\$ 225,000		1

The previous table analyzes 56 residential land sales in the Leavenworth market area over the last 7 years. As can be seen, prices have ranged from a low of \$94,000 in 2015 to now \$163,190 through December 2020. Between 2018 and 2020 prices have increased 3.75% per year. From 2016 to 2020 prices have increased 6.89% per year. Blending these two rates of change, I believe an appreciation rate of 5% per year is reasonable and all sales are adjusted accordingly.

Location

Three of the sales are judged as superior as they have better mountain views than the subject. Two are located slightly above and back from Pine street, and one is at the end of Mine Street. Each offers well sought-after mountain views.

Other Physical Characteristics

Sale No. 1 is a pre-developed parcel of land located at the corner of Pine and Ski Hill Drive. It is a large property measuring 7.79 acres in size and is rectangular in shape. It features all utilities and is accessed from both Pine and Ski Hill. The topography is level. One characteristic of this site is that the city required the developer to reconstruct $\frac{1}{2}$ of pine street for its entire length and put in curb, gutter, and a trail. All these expenses are judged as inferior to the conditions of the subject. Positive adjustments are made for market conditions, size, and site improvements required. Overall, this sale at \$71,069 per acre is inferior to what the subject could achieve.

Sale No. 2 represents a large pre-developed tract of land located north of Pine Street and Ski Hill Drive. The property is gradually sloping and offers very good mountain and territorial views. The sale occurred in 2017 and is adjusted for current market conditions. Its location is judged as superior due to higher value properties located in this neighborhood. The zoning does not allow for as much density as the subject making it inferior. Positive adjustment should be made for size, site improvements required and critical areas (wetlands). Overall, at \$71,806 per acre this sale is inferior to what the subject could achieve.

Sale No. 3 is a portion of Sale No. 2 being resold as a small development property. Like No. 2 zoning is RL-10 and for the same reasons is inferior to the subject. The buyer of this sale was motivated in that it is one of the last properties like it and was specific to his needs. It is superior in terms of motivation, location, and smaller size. It is inferior in terms of shape, zoning, utilities, and access. One additional factor on this sale was that the buyer received an easement on an adjoining property which allowed control of development in a certain area and protecting views and types of landscaping that can be allowed. This effectively gives the buyer more land than the actual 1.81-acre purchase area. Overall, this sale is superior to the subject.

Sale No. 4 is a property located at the end of Mine Street in Leavenworth. This is a development parcel of land having similar zoning and utilities. It is superior in terms of location and smaller size. Site improvements are also likely to be required which includes extending Mine street to the property. to the subject. Overall, this sale at \$176,323 per acre is judged as being similar.

Sale No. 5 is similar to Sale No. 1 as it is the east end of Pine Street and Titus Road. The property was encroaching on the existing right of way and the purchaser had to grant right of way for the new road but did not have to build the road. They also had to deconstruct a portion of a garage that was on the property as it was encroaching the right of way. There were also an older home, barn, and shop building all of which had to be demolished at buyer expense. Positive adjustments are made for these additional expenses. The property is also larger than the subject and lacked direct sewer without an extension. It also had some designated critical areas which were mostly unusable except for landscaping. Overall, after market conditions adjustment, the subject compares at a level above \$90,455 per acre.

These 5 sales indicate a range of pricing from \$71,069/ac to a high of \$401,025/ac. Sales No. 1, 2, and 5 were clearly judged as inferior and No. 4 was the most similar. Based on this analysis, I believe the subject should achieve a unit rate of say \$150,000/ac. Applying this rate to the subject site area results in a site value as follows:

$$\$150,000 \text{ p/ac} \times 2.68 \text{ ac} = \$402,000$$

Income Capitalization Approach

“Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.”⁶

The Income Approach in this instance has not been utilized for the subject. The building is vacant with no prospective tenants in place or in planning stages. Considering the condition of the building it is likely that it would not be rented until many of the deficient items are cured. This approach is not commonly used in this type of property and elimination of it will not diminish the credibility of the results.

Sales Comparison Approach

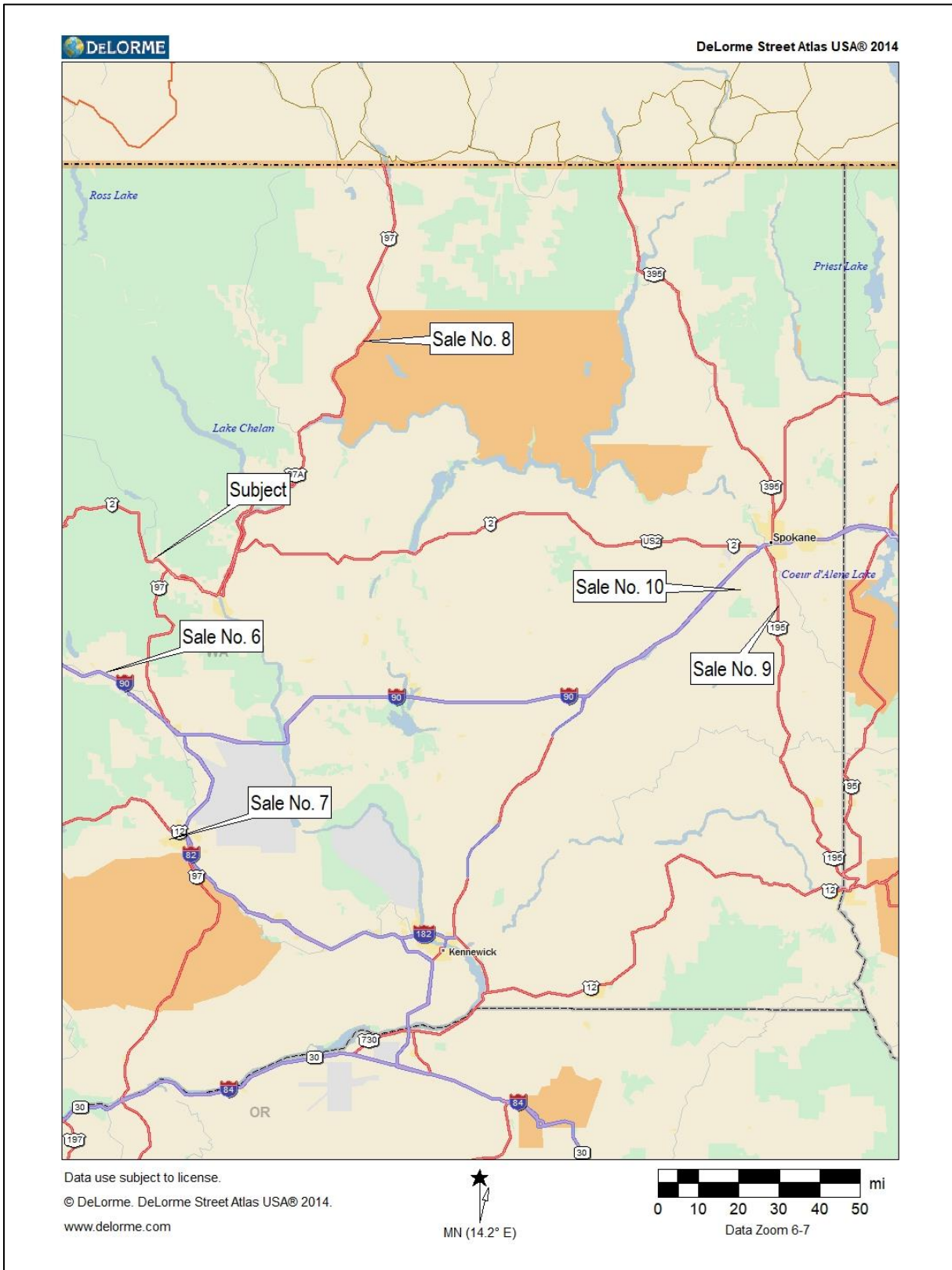
“The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.”⁶

In addition to sales used in the previous appraisal, I have researched the following five sales which are believed to be relevant to assignment. Sales No. 6-9 are more recent occurring in 2019 and 2020. Sale No. 10 is an older 2016 sale which was found after the last appraisal and used here as evidence of a former school sale.

COMPARABLE IMPROVED SALES						
Sale #	6	7	8	9	10	Subject
Sale Date	4/26/19	12/13/19	2/12/20	5/10/19	11/18/16	N/A
Grantee	Mid Cascade Investments, LLC	5606 Summitview, LLC	Martin & Griselda Hurtado	Mica & Michele Altman	School House Lofts, LLC	N/A
Location	915 E. 2nd Street	Ave	71 Rodeo Trail Road	Street	520 4th Street	225 Central Ave
City	Cle Elum	Yakima	Okanogan	Spangle	Cheney	Leavenworth
Land Size (sf)	137,650	80,586	174,240	38,333	53,000	116,546
Bldg. Size (sf)	24,428	30,344	16,800	13,440	61,168	25,328
# Stories	1	1	1	2	3	1
Age/Condition	1991/Fair	1983/Average	1957/Poor	1938/Fair to Avg	1930/Fair	1983 eff/Fair
Quality	Average	Average	Low	Avg/good	Avg/good	Average
Total Sale Price	\$ 1,570,000	\$ 969,292	\$ 325,000	\$ 240,000	\$ 750,000	
Land Value	\$ 1,033,500	\$ 484,500	\$ 200,000	\$ 65,000	\$ 53,000	
Improvement Contr.	\$ 536,500	\$ 484,792	\$ 125,000	\$ 175,000	\$ 697,000	
Unit Value (\$/sf)	\$ 21.96	\$ 15.98	\$ 7.44	\$ 13.02	\$ 11.39	
ADJUSTMENTS						
Conditions of Sale						
Adjusted Price	\$ 21.96	\$ 15.98	\$ 7.44	\$ 13.02	\$ 11.39	
Mkt Conditions						
Adjusted Price	\$ 21.96	\$ 15.98	\$ 7.44	\$ 13.02	\$ 11.39	
Age/Condition	Superior	Superior	Inferior	Superior	-	
Quality	-	Inferior	Inferior	Superior	Superior	
Size	-	-	Superior	Superior	Inferior	
Site Improvements	-	-	-	-	-	
Listing Status	N/A	N/A				
Overall	Superior	Similar	Inferior	Superior	Similar	
Comparison (\$/sf)	<\$21.96	+/- \$15.98	>\$7.44	<\$13.02	+/- \$11.39	

⁶ Definition from Dictionary of Real Estate Appraisal, Sixth Edition, 2015, published by the Appraisal Institute

COMPARABLE IMPROVED SALES MAP



Five improved sales have been selected for comparison to the subject improvements. The unit of comparison in this analysis is based upon the sale price per above grade area noted in square feet not inclusive of land. Included in the value of the structures are site improvements that may be present and contribute to the overall value. Land values were extracted using information from the buyer/seller, assessor, and in some cases comparable land sales.

The sales included for comparison include primarily older structures of generally similar size and needing significant improvements. These include a former grocery store, retail store, an armory, and two former schools. These sales were researched first from within the county, and then from other areas of the state.

The sales range in unit price from a low of \$7.44 p/sf to a high of \$21.96 p/sf. The upper end of the range is represented by a vacant building formerly operated as a grocery store and other users. The lower end of the range represents an older building which was in poor condition and needing complete rehabilitation. Each of the sales are now analyzed individually.

Sale No. 6 is a former grocery store which was originally constructed in 1991. It operated for many years as a grocery store, but because of location, it ended up failing. The property was then used as a storage building for used restaurant equipment and other things. This is a steel frame building with a metal roof. It was heated via suspended heaters and had fire sprinklers throughout the building. There was little demising in this building other than a few department areas and a few offices. Overall, this building was still functional. This building is in better condition to the subject and quality is judged as being similar. The building size and site improvements are also similar to the subject. Overall, at \$21.96 p/sf, this property is superior to the subject.

Sale No. 7 is a former retail building lying vacant and awaiting a new user. It was built in 1983 and in average condition. This is a wood frame structure that was mostly open and had little demising. It is located on Summitview Avenue in Yakima and the heart of the West Valley shopping neighborhood. The building is functional and in better condition to the subject. The quality of buildout is less than that of the subject. Size and site improvements are both similar to the subject. A knowledgeable broker indicated he felt that the seller was somewhat motivated to sell and that the price was below market value. Overall, at \$15.98 p/sf, the contributory value of these improvements are similar to the subject.

Sale No. 8 is a former armory building located in an industrial section of the City of Okanogan in Okanogan County. This building was constructed in 1957 and of similar date to the subject's original construction however it has had very little updating. The buyer indicated that it was in poor condition and basically represented a shell building. Plumbing and electrical need to be replaced. This property is demised more like a school and include office, locker rooms, classrooms, a rifle range, bathrooms, and a warehouse. Quality and Condition are inferior to the subject and warrant a positive adjustment. This building only measures 16,800 sf and as such is smaller than the subject and should be adjusted upward for size. Overall, this sale at \$7.44 p/sf is inferior to what the subject could achieve.

Sale No. 9 is a former school building located in Spangle, WA which is a suburb of Spokane. This property sold in May 2019 for \$300,000 total of which there was a \$60,000 hold back for replacing the roof. The extracted improvement value was \$175,000 or \$13.02 p/sf. The building was built in 1938 and had been updated over time. The last user had operated his business in the location for several years and as such the building was functional. Downward adjustment is made for age/condition. The quality of the building is masonry and has a lot of architectural details sought after for its ultimate conversion to apartment use. Downward adjustment is made for quality. The building only measures 13,440 sf which is much smaller than the subject. Downward adjustment is made for size. After adjusting for age/condition, quality and size, this property is superior to the subject and direct comparison should be below \$13.02 p/sf.

Sale No. 10 is a former school building located in Cheney, WA which is also near Spokane. This property sold in 2016 for \$750,000 from the local school district to an investor/developer. Their desire was to convert the building to apartment units and rent them to neighboring college students. This school was constructed in 1930 and had modest updates over time. The seller did indicate that the roof, plumbing, and electrical all needed upgrading. This is a large building measuring 61,168 sf of which 38,976 sf was classroom area and 22,192 sf was classified as storage area. In comparison to the subject, age/condition are judged as being similar to the subject. The quality is superior, as this is a masonry building. Downward adjustment is made for much larger size. Overall, this sale at \$11.39 p/sf is seen as being similar to the subject.

As can be seen, the range in unit prices goes from a low of \$7.44 p/sf to a high of \$21.96 p/sf. The upper end of the range is of a former grocery store which was situated on a large site. This building is least like the subject. The low end of the range was a former armory building that was in poor condition and needing immediate attention and clearly inferior. Sales No. 9 and 10 were both of former schools and more like the subject one was superior and the other judged as similar. Considering these sales and this analysis, I believe a reasonable unit value for the subject to be say \$12.50 p/sf of enclosed building area only. Total building contributory value is calculated as follows:

Contributory Value of the Improvements

$$\begin{array}{rclcl} \$12.50 \text{ p/sq. ft.} & \times & 25,328 \text{ sq. ft.} & = & \$316,600 \end{array}$$

Adding the underlying site value to the property results in an overall value for the subject.

Contributory Value of Improvements:	\$316,600
Site Value	<u>\$402,000</u>
Total Indicated Value	\$718,600
	Rounded: \$719,000

RECONCILIATION AND FINAL VALUE ESTIMATES

In the foregoing report an analysis has been made of the value of the property by the Cost, Income and Sales Comparison Approaches resulting in an indication of the market value as follows:

Market Value Conclusions	"As Is"
Cost Approach	\$403,500 (Site Value)
Sales Comparison Approach	\$316,600 (Contrib. Value)
Income Approach	N/A
Final Value Conclusion	\$719,000
Effective Date of Value	February 24, 2021

Five land sales and five improved sales were used in determining the value for the subject property. The land sales were in Leavenworth and gave a good representation of land values. The range provided, while not narrow, was relatively easily reconciled into a value. The weakness in this approach is that there were no recent sales of predeveloped properties and as such, market conditions adjustments were required. Five improved sales were used to determine contributory values of older buildings nearing the end of their economic lives and in need of rehabilitation. Though not quantifiable, it is certain that many of these properties have environmental conditions requiring curing which is inherent in the sale prices. These types of property sales are rare and required an expanded search area around the state. These sales provided a narrow range in unit values which bracketed the subject. Overall, the sales were reconciled into what appears to be a reasonable value.

ADDENDA

SALE NO. 1**SALE DATA**

Address: 12132 Pine St
City: Leavenworth
State: WA
Zip: 98826
Parcel #: 241701310150
Lat, Long: N47.600681, W-120.663276
Grantor: Jeanne Vorrath & John Scamahorn
Grantee: Prusik Investments, LLC
Sale Date: April 29, 2015
Sale Price: \$430,000
Financing: Cash
Cash Equiv.: \$430,000
Recording #: 2417086
HBU: Residential/open
Verification: April 24, 2018, Julie Averill, DP



Sale Price Allocation: Unit Value
Land \$430,000 \$1.27 p/sf, \$55,199 p/ac

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf: 7.790 / 339,332	Zoning: Residential Low 6,000
Utilities: Elec, W, Tel.	Flood Designation: Zone X (unshaded)
Topography: Mostly level	Critical Areas: N/A
Access: Paved city street	



Comments: This is the sale of a rectangular parcel of vacant land containing 7.79 acres, out of an original size of 13.81 acres in Leavenworth. This property has long axis frontage on Pine Street. The site is mostly level, is zoned RL-6, and has electricity, water, and telephone. At the time of the sale, sewer had not been extended to the property. Historically this property supported agricultural operations; however, urban/suburban residential growth has more or less enveloped the parcel.

This property was originally listed for \$525,000 on 10/15/2014 and was on the market for 196 days. It sold for \$430,000 on 4/29/2015.

The buyer has subdivided this property into 39 residential lots.

ID# 1008

SALE NO. 2

SALE DATA

Address: 10175 Ski Hill Dr
City: Leavenworth
State: WA
Zip: 98836
Parcel #: 241701320050 & 241701320060
Lat, Long: N47.602191, W120.664398
Grantor: Frances Brender
Grantee: J & O, LLC
Sale Date: September 15, 2017
Sale Price: \$2,000,000
Financing: Cash
Cash Equiv.: \$2,000,000
Recording #: SWD 2465058
HBU: Residential
Verification: March 21, 2018, Cameron West, Selling Agent, JJ



Sale Price Allocation: Unit Value
Land \$2,000,000 \$1.41 p/sf, \$61,331 p/ac

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf:	32.610 / 1,420,492	Zoning:	Residential Low 6,000 / 10,000
Utilities:	Elec, W, Tel, SWR	Flood Designation:	Zone X
Topography:	Mostly level	Critical Areas:	Wetlands
Access:	Ski Hill Drive		



Comments: This is the sale of 2 adjacent parcels of vacant land located at 10175 Ski Hill Drive in Leavenworth, WA. The parcels are located just north of the intersection of Ski Hill Drive and Pine Street. These two parcels contain a total of 32.61 acres, of which 7.58 acres is designated wetlands and is therefore unusable and non-buildable. This indicates a total of 25.03 acres which is usable and buildable. The sale price of these two parcels is \$2,000,000. Dividing the usable acres of 25.03 acres into the sale price of \$2,000,000, we see a value of \$ 79,904 p/acre, or \$ 1.83 p/sq. ft.

The parcels slope gently to the south which allows for good views throughout the property of Tumwater Mountain and Icicle Ridge. The wetlands discussed above are separate areas spread throughout the parcels and could be utilized as green spaces in final development. Electricity, telephone, city water and sewer are all available to both parcels.

This property has been listed for sale off and on for the past several years with various local Realtors with an asking price of \$ 4,000,000. It has seen some interest from area developers, but there had never been any firm offers until the buyer made the seller a cash offer of \$ 2,000,000 take it or leave it.

According to confirmation with the listing/selling office, Mike West Leavenworth Realty, the buyer of these parcels is currently in the planning stages to develop the parcels into a total of 120 residential lots in several phases with paved streets, curbs, gutters, sidewalks and all city utilities mentioned above. These lots will be for single family homes, but will not include apartments or condos.

ID# 731

SALE NO. 3

SALE DATA

Address: 12435 Village View Drive
City: Leavenworth
State: WA
Zip: 98826
Parcel #: 241701320061
Lat, Long: N47.605078, W-120.665640
Grantor: J & O, LLC
Grantee: Stephen Speicher
Sale Date: October 05, 2018
Sale Price: \$650,000
Financing: Cash
Cash Equiv.: \$650,000
Recording #: 2485925
HBU: Single family Residential Lots
Verification: July 19, 2019, Jordan McDevitt (J&O), Brian Vincent



Sale Price Allocation:		Unit Value
Land	\$650,000	\$8.24 p/sf, \$359,116 p/ac

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf:	1.810 / 78,844	Zoning:	Residential Low Density 10,000
Utilities:	Elec, Tel, Shared well, Septic	Flood Designation:	Zone X
Topography:	Mostly level	Critical Areas:	N/A
Access:	Paved city street		



Comments: This is a 2018 sale of a residential parcel situated in the City of Leavenworth UGA and purchased for residential development. The property measures 1.81 acres and is zoned RL-10 which allows up to 10,000 sf lots.

The buyers intention first was to purchase the property for a single family residential home and ADU. And then possibility divide the property in two for a second saleable lot. There is the potential of additional lots which played into the negotiated price. The property partially sits in a wetland setback area which limits the development potential to some degree. Also included in this sale is the buyer's ability to plant appropriate shrubs in a portion of the westerly property to protect views along with added restrictive covenants. Both of which enhanced and protected property views. It also effectively provided more land to use than the acreage reported.

According to the seller, this was a good market transaction.

ID# 1493

SALE NO. 4**SALE DATA**

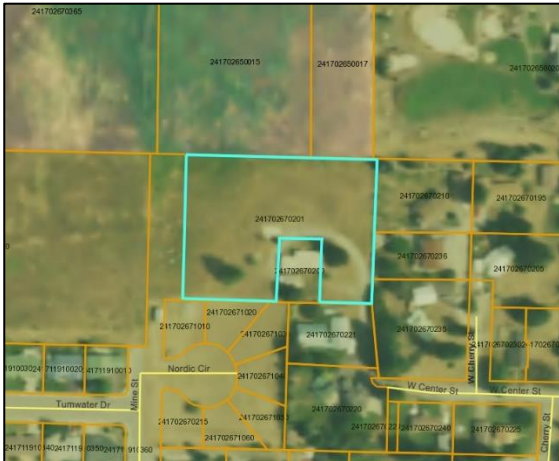
Address: 122 W. Center St
City: Leavenworth
State: WA
Zip: 98826
Parcel #: 241702670201
Lat, Long: N47.596810, W120.673276
Grantor: Sidney Duke & Mary Duke
Grantee: Grant & Hayley Stoebner
Sale Date: March 28, 2017
Sale Price: \$290,000
Financing: Cash
Cash Equiv.: \$290,000
Recording #: SWD-2454926
HBU: Residential
Verification: March 21, 2018, Dan Acton, Broker, DP



Sale Price Allocation: Unit Value
Land \$290,000 \$3.40 p/sf, \$147,959 p/ac

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf: 1.960 / 85,378
Utilities: Elec, Tel, W, SWR all available
Topography: Mostly level
Access: Gravel driveway easement
Zoning: Residential Low 6,000
Flood Designation: Zone X
Critical Areas: N/A



Comments: This is the sale of a 1.96 acre parcel on W. Center Street in Leavenworth. The land is zoned RL-6, is irregular in shape, and offers territorial and mountain views. The site is mostly level and electricity, water, telephone, and sewer were all available at the time of sale.

Access is a gravel driveway easement from W. Center Street. There is currently no frontage on any existing public roadways. The west boundary is along an undeveloped right-of-way.

The original listing price was \$349,000, was later reduced to \$299,000, and sold for \$290,000 after 326 days on the market.

ID# 730

SALE NO. 5**SALE DATA**

Address: 12240 Pine Street
City: Leavenworth
State: WA
Zip: 98826
Parcel #: 241701320100
Lat, Long: N47.600985, W-120.663574
Grantor: John Scamahorn
Grantee: Cascade School District
Sale Date: October 31, 2014
Sale Price: \$875,000
Financing: Cash
Cash Equiv.: \$875,000
Recording #: 2408465
HBU: Residential development
Verification: October 31, 2014, Bill Mottsenbocker, Brian Vincent



Sale Price Allocation: Unit Value
Land \$875,000 \$3.12 p/sf, \$136,081 p/ac

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf: 6.430 / 280,091
Utilities: W, Elec, Tel, Irrig.
Topography: Level
Access: Paved City and County Streets
Zoning: Residential Low 6,000
Flood Designation: Zone X
Critical Areas: small drainage areas



Comments: This is the sale of a county reported 6.43 acre parcel of land located on Pine Street in Leavenworth, WA. The parcel actually measures 6.05 acres after the county owned right of way is subtracted. Of this area, 5.20 acres is considered residential development land and the .85 acres is dedicated to a homesite.

This property is zoned RL-6 and located just outside the city limits of Leavenworth. It has access to all city utilities with the exception of sewer. The property is served via a septic system.

Building improvements on the property consist of a 2,671 sq. ft. 2- story house which was built in 1990. It is of wood frame construction, has 4 bedrooms and 2.5 bathrooms, and is heated and cooled via a heat pump. It also has a 1,387 sq. ft. unfinished basement and a 688 sq. ft. attached garage. There is also another house on the property which was built in 1935 and contains 480 sq. ft. on the main floor along with a 240 sq. ft. unfinished basement. This house has 1 bedroom and 1 bath and has an oil furnace. Other building improvements consist of a 2,724 sq. ft. barn built in 1937, a 1,500 sq. ft. storage building built in 1951, a 5,624 sq. ft. storage building built in 1949, a 1,040 sq. ft. concrete block barn built in 1940, and 2 older small storage sheds. The school district eventually granted .38 acres to the city of for the Pine street right of way. The extracted land value on this sale is noted as \$440,000 divided by the developable area of 5.20 acres results in a unit value of \$84,615 per acre.

ID# 1506

SALE NO. 6**SALE DATA**

Address: 915 E 2nd St
City: Cle Elum
State: WA
Zip: 98922
Parcel #: 183134
Lat, Long: N47.193630, W-120.920110
Grantor: Gaub Business Park East, LLC
Grantee: Mid Cascade Investments, LLC
Sale Date: April 26, 2019
Sale Price: \$1,570,000
Financing: Cash



Cash Equiv.:	\$1,570,000	Sale Price Allocation:	<u>Unit Value</u>
Recording #:	2019-684	Land	
HBU:	Commercial	Imprv.	\$1,570,000
Verification:	July 16, 2019, Greg Meshke, Listing/Selling Agent, JJ	Total:	\$1,570,000 \$64.27 p/sf

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf:	3.160 / 137,650	Bldg. Condition:	Average
Utilities:	Elec, Tel, W, Swr	Constr. Type:	Steel Frame
Topography:	Mostly level	Quality:	Average
Zoning:	General Commercial	Land to Bldg (%):	5.63:1
Access:	Paved city street		
Parking Stalls:	152 +		
Bldg Gross sf:	24,428		

Year Built/Renov: 1991 /



Comments: This is the sale of a vacant former Price Chopper grocery store located at 915 East Second Street in Cle Elum, WA. The site contains 3.16 acres, is zoned General Commercial by the City of Cle Elum, is mostly level and has access to all city utilities.

The building improvement is a former Price Chopper grocery store. It contains 24,428 sq. ft, is of average quality steel frame construction with steel roof and steel exterior walls and, is heated via suspended electric heaters and has adequate restrooms facilities. It has insulated walls and ceiling and has fire sprinklers throughout the building. There are also several offices within the building. This building was vacated by Price Chopper when it closed a few years ago and has been vacant since. The former owner placed it on the market for lease at an asking rate of \$7.00 p/sq. ft. and/or for sale at an asking price of \$1,600,000 on May 19, 2017 which included \$30,000 in personal property. It sat on the market at that price until the buyer made a full price cash offer which the seller accepted. The buyer of this property is a commercial property investor/developer who plans to convert this property into a large, state of the art brewery which his company will own and operate. All remodeling and upgrading will be completed by the new owner.

ID# 584

SALE NO. 7**SALE DATA**

Address: 5606 Summitview Ave
City: Yakima
State: WA
Zip: 98908
Parcel #: 18132131038
Lat, Long: N46.598720, W-120.583340
Grantor: Sievers Family LLC
Grantee: 5606 Summitview LLC
Sale Date: December 13, 2019
Sale Price: \$969,292
Financing: SWD/Cash
Cash Equiv.: \$969,292
Recording #: 455544
HBU: Commercial
Verification: February 25, 2020, Bill Almon Jr, DP

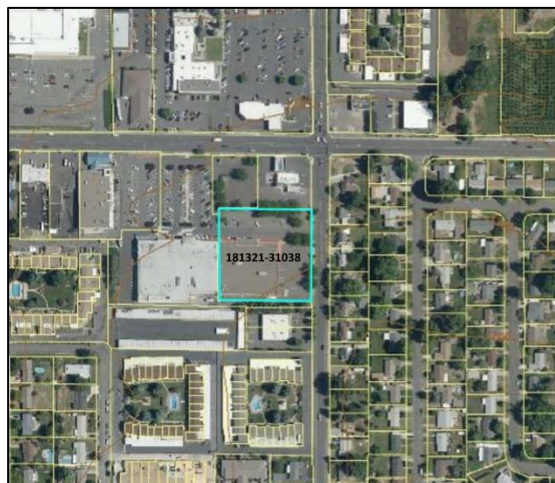


Sale Price Allocation:	<u>Unit Value</u>
Land	
Imprv.	\$969,292
Total:	\$969,292
	\$31.94 p/sf

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf: 1.850 / 80,586
Utilities: Elec, Tel, W, SWR
Topography: Mostly level
Zoning: Large Convenience Center
Access: Paved city street
Parking Stalls: Approx 100
Bldg Gross sf: 30,344
Bldg Net sf: 30,344
Year Built/Renov: 1983 /

Bldg. Condition: Average
Constr. Type: Concrete Block & Masonry
Quality: Average
Land to Bldg (%): 2.66:1



Comments: This is the sale of a former Rite Aid building that is located on Summitview Avenue in Yakima, WA. This is a 30,344 sf concrete block and masonry building that was constructed in 1983 and was said to be in overall average condition at the time of sale.

The 80,586 sf site is rectangular in shape and offers approximately 100 parking stalls.

According to Bill Almon Jr. of Almon Commercial Real Estate, this property was not listed with a realtor and was a private transaction. This sale closed on 12/13/2019 at a sale price of \$969,292. Bill indicated that the seller had motivation to sell and that, in his opinion, this property sold for less than market value.

ID# 640

SALE NO. 8**SALE DATA**

Address: 71 Rodeo Trail Road
City: Okanogan
State: WA
Zip: 98840
Parcel #: 3326160027
Lat, Long: N48.367290, W-119.568670
Grantor: Martin & Griselda Hurtado
Grantee: CGM, Inc.
Sale Date: February 12, 2020
Sale Price: \$325,000
Financing: Cash



Cash Equiv.:	\$325,000	Sale Price Allocation:	<u>Unit Value</u>
Recording #:	3240263	Land	
HBU:	Commercial/Industrial	Imprv.	\$325,000
Verification:	February 18, 2021, Craig, BV	Total:	\$325,000 \$19.35 p/sf

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf:	4.000 / 174,240	Bldg. Condition:	Poor
Utilities:	W,E,T	Constr. Type:	Masonry block
Topography:	Level	Quality:	Poor
Zoning:	I1	Land to Bldg (%):	10.37:1
Access:	Paved city Street		
Parking Stalls:	[ParkingComments11]		
Bldg Gross sf:	16,800		

Year Built/Renov: 1957 / Old building in poor cond



Comments: this is a 2020 sale of an old armory building located in East Okanogan between the railroad tracks and the highway. The property is improved with a 16,800 sf masonry building that was vacant at the time and said to be in poor condition. According to the buyers representative, the plumbing and electrical needed to be completely updated and the building was considered a masonry shell. The roof also reportedly leaked, but did not say if it needed to be replaced. The building has masonry walls, a flat roof and windows along the eastern property front. The building is demised into an L shaped office area and rear warehouse space. Specific building areas include office space, locker rooms, classrooms, rifle range, bathrooms, and warehouse. The seller

had been using the property for events and leased storage. The property has been listed off and on for sale for many years at varying prices. This purchase at \$325,000 was said to be a reasonable price for the 4 acres of property and the old building. The buyer was mostly interested in the land behind the building for expansion of his neighboring lumber yard. He has since platted the property into 2.5 acres behind the building a 1.5 acres with the building. The building and associated land is being resold for \$200,000. Extracting the building from this sale at \$125,000 results in a unit value of \$7.44 p/sf.

ID# 761

SALE NO. 9**SALE DATA**

Address: 330 & 350 N. Pine Street
City: Spangle
State: WA
Zip: 99031
Parcel #: 32041.1508, -1510
Lat, Long: N47.430990, W-117.376140
Grantor: Estate of Bonnie Rasmussen
Grantee: Mica & Michelle Altman
Sale Date: May 10, 2019
Sale Price: \$300,000
Financing: Cash
Cash Equiv.: \$300,000
Recording #: 201905979
HBU: Conversion to Apartments
Verification: February 19, 2021, Mica Altman, BV



Sale Price Allocation:	<u>Unit Value</u>
Land \$60,000	
Imprv. \$240,000	
Total: \$300,000	\$22.32 p/sf

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf: 0.880 / 38,333	
Utilities: W, S, E, T	Bldg. Condition: Fair/Average
Topography: Mostly level	Constr. Type: Masonry
Zoning: Single, Two, and MF Residential	Quality: Average
Access: Multiple paved streets	Land to Bldg (%): 2.85:1
Parking Stalls: [ParkingComments11]	
Bldg Gross sf: 13,440	

Year Built/Renov: 1938 / Older building w/some upd



Comments: This is a 2019 sale of a former school building located in Spangle, WA. This is a two-parcel sale measuring .88/ac in size and rectangular in shape. Improvements include a large two-story school building, an older single wide mobile home, and pole building. These latter improvements were given no value contribution in the sale. The condition of the school was fair to average. The roof was said to be in poor condition and as such the seller gave a \$60,000 concession to replace the roof. Other maintenance needed included repointing the stonework and damage to the wood floors. Overall, the building was considered a shell and the owner will be converting to apartment use. The buyer is living in the building as the seller had improved part of it to a makeshift apartment and was operating a printing business in

the building. The buyer indicated that the appeal to the building was the architectural design and the ease of conversion to apartment units. This property is said to be 15 minutes from Spokane and will attract a fair amount of apartment tenants who desire this rural location. The buyer indicated that the land was worth residential land values and estimated \$65,000. The contributory value of the improvements is calculated as \$300,000 - \$60,000 roof - \$65,000 land = \$175,000 / 13,440 sf = \$13.02 p/sf . The buyer felt that the price was fair.

ID# 762

SALE NO. 10**SALE DATA**

Address: 520 4th Street
City: Cheney
State: WA
Zip: 99004
Parcel #: 13132.0801
Lat, Long: N47.489520, W-117.577630
Grantor: Cheney School District
Grantee: School House Lofts, LLC
Sale Date: November 18, 2016
Sale Price: \$750,000
Financing: Cash



Cash Equiv.:	\$750,000	Sale Price Allocation:	<u>Unit Value</u>
Recording #:	20161762B	Land	
HBU:	Conversion to apartments	Imprv.	\$750,000
Verification:	February 19, 2021, Jeff McLure, BV	Total:	\$750,000
			\$12.26 p/sf

PHYSICAL AND FINANCIAL DATA

Site Size ac./sf:	1.220 / 53,143	Bldg. Condition:	Fair
Utilities:	W, S, E, T	Constr. Type:	Masonry
Topography:	Mostly Level	Quality:	
Zoning:	MR-3H	Land to Bldg (%):	0.87:1
Access:	Paved public street		
Parking Stalls:	[ParkingComments11]		
Bldg Gross sf:	61,168		

Year Built/Renov: 1930 / Older building with updates



Comments: This is a 2016 sale of a former school owned by the Cheney School District. This building was reaching the end of its economic life and needed significant updating to extend the life expectancy. The district maintenance supervisor said that the roof was in its 10th year of a 10 year life and needed to be replaced. The plumbing was also obsolete and failing. It also needed major electrical upgrades. There was a minor amount of asbestos found in a utility chase which was indicated not to be a factor in the sale. Structurally, the building was said to be sound. The

purchasers essentially got a shell building which they have since converted to loft apartments leased primarily to college students. This property was appraised by the state prior to the sale for \$900,000. After being on the market for over a year, the district was able to reduce the price and it eventually sold for \$750,000. It is believed to have had adequate exposure. This is a 3 story school building demised into 38,976 sf of school/classroom area and 22,192 sf of utility storage area. It features plenty of on street parking and has good street access. All utilities are connected to this level property. All indications are that this was a market sale. The land was extracted from the overall price at \$53,000 leaving an improvement contribution of \$697,000 or \$11.39 p/sf.

ID# 763

APPRAISER

ADDRESS

Brian T. Vincent, MAI, AI-GRS

135 S. Worthen St., Suite 100
Wenatchee, WA 98801
509/662-8900

Business Experience

Pacific Appraisal Associates, P.L.L.C.
Motteler Orchard & Property Management
The Boeing Company

2000-Present
1992-Present
1988-1992

Certification

State Certified General Real Estate Appraiser
Certificate #1101562

Education

University of Washington

B. A. Degree in Economics

1987

North Seattle Community College Continuing Education

1988-1989

Appraisal Institute

Real Estate Appraisal Principles

2000

Real Estate Appraisal Procedures

2000

Real Estate Income Capitalization

2000

Real Estate General Applications

2001

Real Estate Standards

2002

Real Estate Adv. Income Capitalization

2003

Real Estate Highest and Best Use & Market Analysis

2004

Real Estate Advanced Cost & Sales Comparison

2004

Real Estate Standards

2004

Real Estate Report Writing

2005

Real Estate Advanced Applications

2005

Uniform Appraisal Standards for

Federal Land Acquisitions-Practical Applications

2007, 2016

Fundamentals of the UASFLA

2020

7-Hour National USPAP Update Course

2017, 2018, 2020

Business Practices and Ethics

2010, 2020

Valuation of Easements and other Divided Partial Interests

2010

Common Errors and Misconceptions in

Yellow Book Assignments

2010

Litigation Appraising: Specialized Topics and Applications

2010

The Appraiser as an Expert Witness:

Preparation and Testimony

2011

Review Theory General

2017

Real Estate Conference

2017, 2018

Solving Land Valuation Puzzles

2018

Practical Applications of the Residential Sales Comparison App.

2020

Reviewing Residential Appraisals and Using Fannie Mae Form 2000

2020

IRWA

Partial Acquisitions

2007

MCKISSOCK – Supervisor Trainee Course

2017

WSDOT Local Agency R/W Meeting

2016, 2019

Affiliations

Member, Appraisal Institute MAI, AI-GRS Designations	Current
North Central Washington Assoc. of Realtors	2003-Present
National Association of Realtors	2003-Present
Associate Member of the Appraisal Institute	2003-2015
Toastmasters International	2003-2006

Selected List of Clients Served**Lending Institutions**

Wheatland Bank
Mountain Pacific Bank
Key Bank
Washington Trust Bank
Wells Fargo Bank
Banner Bank
Cashmere Valley Bank
Union Bank of California
Sterling Savings Bank
U.S. Bank
Mid State Bank
Peoples Bank
North Cascades National Bank

Municipalities

City of Wenatchee
City of Yakima
Port of Chelan County
Port of Douglas County
City of Ephrata
City of Leavenworth
City of East Wenatchee
City of Ellensburg
City of Cle Elum
Housing Authority of Chelan County
Housing Authority of Okanogan County
Oroville Housing Authority
USDA Rural Development

Attorneys

Davis Arneil Law Firm
Callaway, Howe, Detro, PLLC Attorneys
Foster Pepper
Jeffers, Danielson, Sonn & Aylward, P.S.
Johnson, Gaukroger, Smith & Marchant
Office of the Attorney General of
The State of Washington
Abeyta Nelson Injury Law

Eminent Domain/Federal Land**Acquisitions**

Douglas, Chelan, Grant and Okanogan
County PUDs.
Chelan, Douglas, Yakima Counties
Port of Chelan County
WA State Dept. of Fish and Wildlife
WA State Dept. of Natural Resources
WA State Department of Transportation
Washington State Parks
Trust for Public Land
Private Land Owners
Homchick Smith Associates
Berger/Abam Engineering
Office for American Indians
RH2 Engineering
Department of the Interior
Department of Veterans Affairs
HDR/Corporation

Healthcare

Lake Chelan Hospital District
Central Washington Hospital Foundation
Samaritan Healthcare
Central Washington Hospital
Confluence Health

Corporations

Wal-Mart Realty
Burlington Northern Santa Fe Railway Co.
The Staubach Company

Title Disputes

Lawyers Title Insurance Corporation
Transnation Title Insurance
Elliott and Company, Appraisers

Court Experience/Expert Testimony

Chelan, Douglas, & Okanogan Counties
Superior Courts; US District Court



{R/7/19}