



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: John Burkhalter, Development Engineering Supervisor
Rob Jammerman, Development Engineering Manager
Kathy Brown, Public Works Director

Date: December 8, 2015

Subject: TEMPORARY LICENSE AGREEMENT FOR USE OF PETER KIRK PARK BY KPP DEVELOPMENT LLC (KIRKLAND URBAN DEVELOPMENT)

RECOMMENDATION:

It is recommended that City Council review the information and resolution authorizing the City Manager to sign a Temporary License Agreement substantially in the form attached to the resolution. The Draft Temporary License Agreement allows for the construction of public water and sewer utility lines which will be permanently placed in the easterly edge of Peter Kirk Park. In addition, the Draft Temporary License Agreement allows for temporary vehicular access for the customers of QFC, KPP's major tenant remaining during construction, along the easterly edge of Peter Kirk Park, and some limited construction access as approved by the Public Works Director. After receiving input and direction from the Council, staff will bring back the resolution and finalized Temporary License Agreement for final action at the January 5, 2016 Council meeting.

BACKGROUND DISCUSSION:

In August 2015, KPP Development LLC (KPP) approached City staff about the possibility of utilizing the eastern 15 feet of Peter Kirk Park for permanent public utility relocation and a temporary access driveway for QFC until June 30, 2018. In return, KPP proposes to improve the Park to interface more seamlessly with the new development by providing new trees and plantings, path connections, and benches (Exhibit D of the Draft Temporary License Agreement). KPP's request was driven by QFC lease requirements and design constraints related to the Kirkland Urban parking garage. The Kirkland Urban parking garage is a two-story underground structure encompassing the entire Parkplace site.

Staff developed a plan to engage stakeholders for input concerning the proposed Temporary License Agreement and met with the Kirkland Park Board; the Planning and Economic Development Committee; the Public Works, Parks and Human Services Committee; and City Parks and Planning Department staff. The stakeholders had the following process recommendations before bringing the proposal to the City Council:

- Have KPP attend the Moss Bay, Everest and Norkirk Neighborhood Meetings to provide an overview of the Parkplace Project (Project) including phasing and construction plans.

- Obtain an appraisal of the value of the temporary vehicular access and the value of permanently having the encumbrance of public water and sewer utilities on park property to serve the Project.
- Get a more detailed Park Restoration Plan addressing:
 - i) Value of the new improvements
 - ii) New and existing trees
 - iii) New and existing irrigation
 - iv) Landscaping
 - v) Benches
 - vi) Lighting
- Provide additional plans and details for the temporary vehicular access.
- Have turning movements at Central Way evaluated for the temporary driveway.
- Address park user safety during construction.
- Address Peter Kirk Community Center use and accessibility during construction and with the final design.

The following outlines how the comments and recommendations of the Park Board, Committees and City Staff were addressed:

- Neighborhood Meetings: KPP attended Neighborhood Meetings for the Moss Bay, Everest and Norkirk Neighborhoods, presenting an overview of their project describing the amenities, construction and phasing. The presentations were received with much interest with respect to traffic and parking, but with few questions related to the relocation of public utilities in the Park and the temporary vehicular access. The questions raised were primarily concerned with the duration of the temporary use with some questions about the proposed park restoration.
- Valuation of the Temporary Access and Public Utility Easement: With Public Works staff's approval, KPP hired S. Murray Brackett, MAI, Senior Managing Director, Valbridge Property Advisors to provide an appraisal of the value of the use of Peter Kirk Park for the temporary vehicular access and the permanent encumbrance of having the public water and sewer utilities on Park property to serve the Project.
- Mr. Brackett's appraisal is attached to this memo (Attachment A) and values the uses at \$200,000 for the permanent encumbrance of the public water and sewer utilities and \$56,029 for the temporary vehicular access use.
- Park Restoration Plan: The Park Restoration Plan will be approved through the permitting process taking into consideration the comments and recommendations provided by the Neighborhoods, Committees, Park Board and City staff. The most current Plan is shown on Exhibit D to the Temporary License Agreement. The estimated cost of the proposed Plan is \$379,792 (Attachment B).
- Plans and Details for the Temporary Access: The plans and details for the temporary vehicular access will be approved through the permitting process taking into consideration the comments and recommendations provided by the Neighborhoods, Committees, Park Board and City Staff. The most current Plan is attached (Attachment C).

- Temporary Vehicular Access Intersection Safety Evaluation: The intersection of the temporary vehicular access and Central Way was evaluated by Heffron Transportation, Inc., KPP's traffic consultant. The intersection was evaluated for turning conflicts and the results of that evaluation are summarized in the attached Traffic Memo (Attachment D). Due to the proximity of the median island and crosswalk at 4th Street directly west of the temporary driveway, the memo recommends turning movements be restricted to right-in- and right-out, and left turns from Central Way for west bound vehicles. Left turns from the access onto Central Way will be restricted with c-curb (see Attachment C).
- Park User Safety: A Mobilization Plan will be approved through the permitting process showing how pedestrians and park users will be protected during the various phases of construction. The most current Plan is attached (Attachment E).
- Peter Kirk Community Center Use and Accessibility; Construction Phase: Due to the proximity of the Peter Kirk Community Center to the Park and adjacent construction, the Park Board felt the important issues of decreased walkability and access should be addressed. The Park Board recommended that all paths, temporary and permanent, be asphalt or concrete (no gravel). A Temporary Park Restoration Plan will be approved through the permitting process to address these concerns. The most current Plan is attached (Attachment F).

SUMMARY:

The comments and recommendations brought forth by the Park Board, Council Committees, Neighborhood Groups, and City Staff are being addressed by KPP. The main item remaining is the final value of the Temporary License Agreement for KPP versus the value of the new improvements to Peter Kirk Park. According to KPP's appraisal, the new Park improvements are valued at \$379,792 and the appraised value of the permanent encumbrance of the public water and sewer utilities to serve the Project and the temporary vehicular access as outlined in the Temporary License Agreement is \$256,029. The City still has some questions about certain elements of the appraisal and continues to negotiate with KPP what additional payment KPP should make to the City for the Agreement beyond the restoration and Park improvements. These negotiations will be concluded before the end of the year and the final amount will be included in the Agreement that will be approved by the Council on January 5, 2016

Attachments:

Attachment A – Appraisal

Attachment B – Cost Estimate for KPP Park Restoration Plan

Attachment C – Plans and Details for Temporary Access

Attachment D – Heffron Transportation, Inc. - Traffic Memo

Attachment E – Mobilization Plan

Attachment F – Temporary Park Restoration Plan

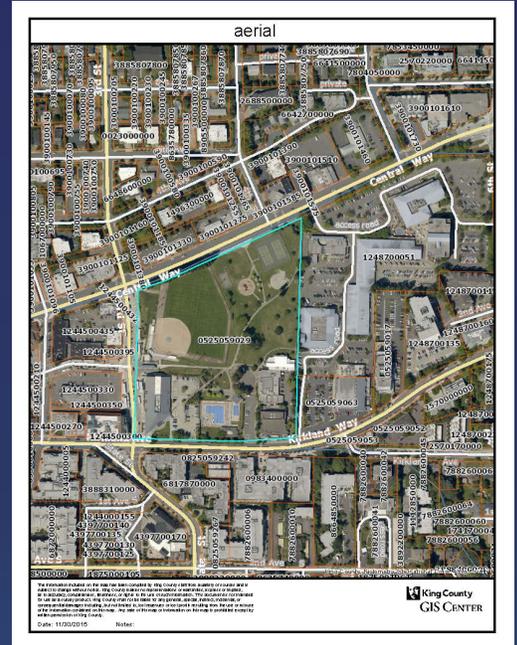


Valbridge

PROPERTY ADVISORS

Appraisal Report

Peter Kirk Park Easement Site
South Side of Central Way
Kirkland, WA

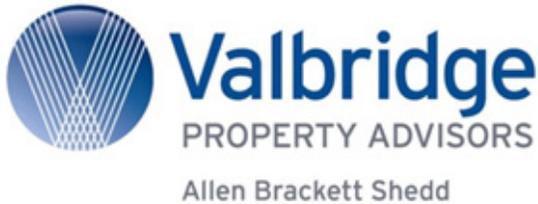


FOR
Mr. William Leedom
Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101

Valbridge Property Advisors |
Allen Brackett Shedd

18728 Bothell Way NE, Suite B
Bothell, WA 98011
425-450-4040
425-892-2457 fax
valbridge.com

Valbridge Job No.: 15-0354



Corporate Office
Smith Tower
506 2nd Avenue, Suite 1001
Seattle, WA 98104
206-209-3016 phone
425-688-1819 fax
valbridge.com

18728 Bothell Way NE, Suite B
Bothell, WA 98011
425-450-4040 phone
425-688-1819 fax
valbridge.com

419 Berkeley Avenue, Suite A
Fircrest, WA 98466
253-274-0099 phone
425-688-1819 fax
valbridge.com

December 2, 2015

Mr. William Leedom
Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101

**RE: APPRAISAL OF PROPOSED ROAD EASEMENT OVER A PORTION OF THE PETER KIRK
PARK PROPERTY IN KIRKLAND, WASHINGTON (Our File #15-0354)**

Dear Mr. Leedom:

In response to your request, we have completed an appraisal of the Peter Kirk Park property located in downtown Kirkland, Washington. The purpose of this report is to provide an opinion of market value for the property, relative to a proposed easement acquisition for road and utility purposes. The acquisition relates to the Client's development project at Kirkland Parkplace, which will require the use of an alternative ingress/egress to facilitate construction. The proposed acquisition will include an easement for subsurface utilities, as well as a temporary roadway easement, the effects of which are discussed in the following report.

The subject property is comprised of a single tax parcel. The property is currently improved with municipal facilities including a park, situated along the south side of Central Way. The proposed easements will impact an area in the northeasterly portion of the property, abutting the Kirkland Parkplace ownership. This Appraisal reflects only the underlying land, as discussed in the *Scope* section of the report.

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

Based on our investigation and analysis of all relevant data, it is our opinion the market value of the property, as of November 20, 2015, is:

"Before" Condition	\$43,490,320
"After" Condition	<u>(\$43,292,220)</u>
Permanent Utility Easement, (rnd)	\$200,000
Temporary Construction Easement, (rnd)	\$56,029
	(\$2,334.54/mo)

Acknowledgement is hereby given to Diane K.W. Quinn, Research Associate, for assistance in the research and preparation of this report. If you have further questions not answered in the accompanying report, please do not hesitate to call.

Sincerely,

VALBRIDGE PROPERTY ADVISORS | ALLEN BRACKETT SHEDD



S. Murray Brackett, MAI

kr
Enclosures

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report was made after personal inspection of the property identified in this report. The conclusions in the report have been arrived at and are predicated upon the following conditions:

- a) No responsibility is assumed for matters, which are legal in nature, nor is any opinion rendered on title of land appraised. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- b) Unless otherwise noted, the property has been appraised as though free and clear of all liens, encumbrances, encroachments, and trespasses.
- c) All maps, areas, and other data furnished your appraiser have been assumed to be correct; however, no warranty is given for its accuracy. If any error or omissions are found to exist, the appraiser reserves the right to modify the conclusions. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- d) It is assumed there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- e) It is assumed all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- f) The appraiser has no interest, present or contemplated, in the subject properties or parties involved.
- g) Neither the employment to make the appraisal nor the compensation is contingent upon the amount of the valuation report.
- h) To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and no important facts have been withheld or overlooked.
- i) Possession of this report, a copy, or any part thereof, does not carry with it the right of publication, nor shall the report or any part thereof be conveyed to the public through advertising, public relations, news, sales, or other media valuation conclusions, identity of the appraiser, or firm, and any reference made to the Appraisal Institute or any professional designation.
- j) There shall be no obligation required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless satisfactory arrangements are made in advance.
- k) This appraisal has been made in accordance with rules of professional ethics of the Appraisal Institute.
- l) The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Allen Brackett Shedd. Neither Valbridge Property Advisors, Inc., nor any of its affiliates, has been engaged to provide this report. Valbridge Property Advisors, Inc., does not provide valuation services and has taken no part in the preparation of this report.
- m) No one other than the appraiser prepared the analysis, conclusions, and opinions concerning real estate that are set forth in the appraisal report.
- n) Statements or conclusion offered by the appraiser are based solely upon visual examination of exposed areas of the property. Areas of the structure and/or property, which are not exposed to the naked eye, cannot be inspected; and no conclusions, representations, or statements offered by the appraiser are intended to relate to areas not exposed to view. No obligation is assumed to discover hidden defects.

- o) Unless otherwise stated in this report, the existence of pollution and/or hazardous waste 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 substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials or pollution 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 them. The client is urged to retain an expert in this field, if desired.
- p) Statements, representations, or conclusions offered by the appraiser do not constitute an express or implied warranty of any kind.
- q) Neither appraiser nor Allen Brackett Shedd shall be liable for any direct, special, incidental, or consequential damages whatever, whether arising in tort, negligence, or contract, nor for any loss, claim, expense, or damage caused by or arising out of its inspection of a property and/or structure.
- r) The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
- s) With regard to prospective value opinions, future changes in market conditions necessitate an assumption that the appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the appraisal or date of value.
- t) This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	
Assumptions and Limiting Conditions	
Executive Summary	
Subject Property Photographs	
Part I - Introduction	
Identification of the Subject Property.....	1
Legal Description.....	1
History and Ownership.....	1
Intended Use and Users.....	1
Date of Inspection/Valuation.....	1
Purpose of the Appraisal.....	1
Property Rights Appraised.....	2
Scope of the Appraisal.....	2
Extraordinary Assumptions/Hypothetical Conditions.....	3
— Hazardous Waste.....	3
— Improvements.....	4
— Proposed Project.....	4
— Zoning.....	4
Personal Property.....	4
Exposure and Marketing Periods.....	4
Regional Description.....	4
Area/Neighborhood Description.....	4
— Market Analysis.....	5
Part II – Factual Data	
Description of the Subject Property.....	8
— Site.....	8
— Topography.....	8
— Access.....	8
— Sensitive Areas and 100-Year Floodplain.....	8
— Soils.....	8
— Timber.....	8
— Mineral.....	9
— Utilities.....	9
— Zoning.....	9
— Easements and Encumbrances.....	9
— Assessed Value and Real Estate Taxes.....	9
— Description of Improvements.....	10
— Site Improvements.....	10
Part III – Highest and Best Use	
As If Vacant.....	12
As Improved.....	13
Part IV - Analyses and Conclusions to Value	
Valuation.....	14
Valuation of the Subject Property – Before Condition.....	15

— Discussion of Land Sales.....	15
— Discussion of Adjustments.....	16
— Conclusion of Value – Before Condition.....	18
— Site Improvements.....	18
Description of Proposed Acquisition, Remainder, and Potential Damages.....	19
— General Property Description – After Condition.....	19
— Highest and Best Use – Remainder As-If Vacant.....	19
— Highest and Best Use – Remainder As Improved.....	19
Valuation in the “After” Condition.....	20
— Discussion of Land Sales and Conclusion of Site Value – After Condition.....	20
— Proposed Fee Acquisition.....	20
— Easements Proposed for Acquisition.....	20
Summary and Recapitulation.....	23
— Discussion of Temporary Construction Easement.....	24
Certification of Value.....	26

Addenda

Qualifications of Appraisers

EXECUTIVE SUMMARY

Project:	Peter Kirk Park Property – Proposed 2-year temporary easement for road purposes along with a permanent utility easement.	
Location:	South side of Central Way in Kirkland, Washington.	
Site Size:	12.48 acres, according Assessor information.	
Proposed Acquisition:	Permanent Utility Easement –	9,905 sf
	Temporary Road Easement -	9,188 sf
Improvements:	The property is improved with park related improvements at this time. These are not considered in this report.	
Utilities:	Utilities available include power, natural gas, telephone, public water, and sanitary sewer.	
Zoning:	Park/Open Space (P), City of Kirkland. For purposes of this analysis the property is effectively assumed a zoning classification of CBD-1B (see zoning discussion)	
Highest & Best Use:	Mixed Use	
Conclusion:	Permanent Acquisition:	\$200,000
	2-Year Temporary Easement:	\$56,029
Date of Valuation:	November 20, 2015	
Appraiser:	S. Murray Brackett, MAI	
File:	15-0354Rev	

SUBJECT PROPERTY PHOTOGRAPHS



Northeast corner of subject, looking west along Central Way



At the northeast corner, looking south along proposed easement area

SUBJECT PROPERTY PHOTOGRAPHS



Northeast corner looking at adjacent Park Place property



East side of subject, looking north along proposed easement area near QFC

SUBJECT PROPERTY PHOTOGRAPHS

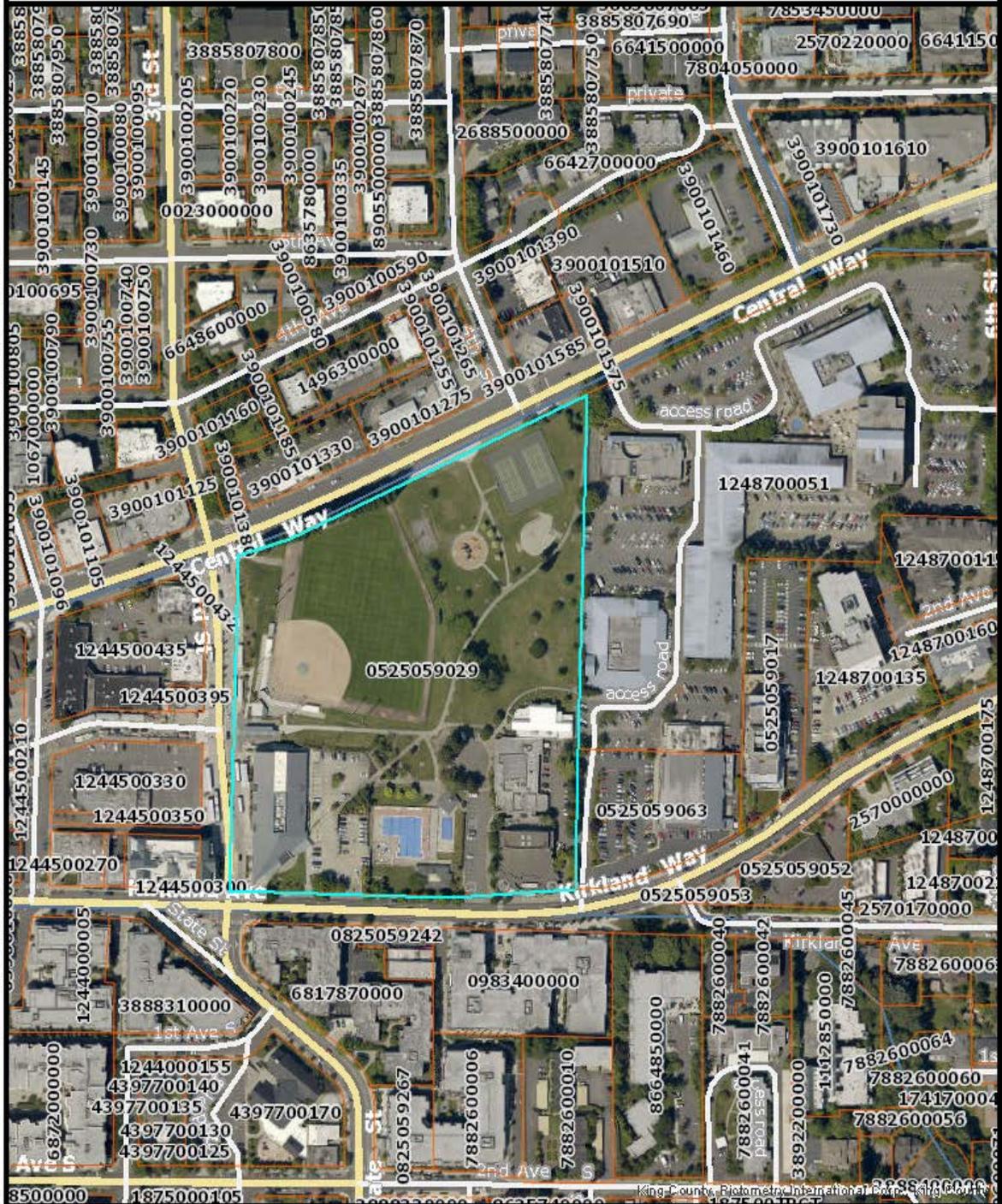


South side of subject, looking west along Kirkland Way



Looking southeasterly at the northwest corner of the site, from across Central Way

aerial



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

Date: 11/30/2015 Notes:



Aerial View



PART I - INTRODUCTION

Identification of the Subject Property

The subject of this appraisal is the Peter Kirk park property in Kirkland, Washington. The site contains a total of 12.48 acres of land and is currently improved with various park-related improvements, as well as municipal facilities. The appraisal is being conducted to assist in the potential acquisition of easements to accommodate redevelopment of an adjacent ownership.

Legal Description

No Legal Description was provided. The subject property is legally described according to King County Assessor Account number 052505-9029.

History and Ownership

The property is owned by the City of Kirkland. No ownership changes have occurred within the past three years, to the best of our knowledge.

Intended Use and Users

The function of this appraisal is to provide an opinion of value to assist in negotiations for proposed easement acquisitions by the Client. Intended users of the report include the Client and its representatives.

Date of Inspection/Valuation

The subject property was previously inspected on November 20, 2015 from the abutting sidewalk. The appraiser has not prepared appraisal/consulting services regarding the property within the past three years. The effective date of value of this assignment is November 20, 2015.

Purpose of the Appraisal

The purpose of this appraisal is to provide an opinion of the market value of the subject property, relative to the proposed acquisition of two easements, including a permanent subsurface easement and a 2-year temporary roadway easement. For purposes of this report, market value is defined as ¹

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

¹ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 59.

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well-informed or well-advised and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Property Rights Appraised

This appraisal sets forth an opinion regarding a fee simple interest (subject to existing easements and encumbrances). Fee simple interest is defined as:²

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

The proposed acquisition will take the form of an easement, which is generally defined as follows.

An easement is defined as follows:³

An interest in real property that transfers use, but not ownership, of a portion of an owner's property.

This definition may be expanded as:

...the right to perform a specific action on a particular parcel of property, or portion thereof, by the grantees who do not hold the underlying fee.⁴

The easement will be described subsequently.

Scope of the Appraisal

The scope of this appraisal includes consideration of all three approaches to value, including the Cost Approach, the Income Approach, and the Sales Comparison Approach. The project involves a relatively minor proposed easement acquisition on the east side of the property.

² From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 5

³ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 74.

⁴ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 75.

The proposed acquisitions may impact existing park improvements such as sidewalks. Based on the agreed scope of the assignment, we are evaluating only the land, with respect to a road easement. It is assumed that the Client will return the property in essentially similar condition upon termination of the temporary easement.

If additional relevant information or guidance is provided in the future, we reserve the right to revise our conclusions.

In valuing the subject, the applicable approach is the Sales Comparison Approach. Data was collected on comparable sales. In appraising the subject property, the appraisers did the following:

- Researched Metroscan, CoStar, and Commercial Brokers databases
- Researched Valbridge Property Advisors | Allen Brackett Shedd's existing database
- Confirmed all sales with buyers, sellers, their agents, Costar, and/or public records
- Inspected all comparable sales
- Inspected the subject property - streetside
- Reviewed all documents as cited throughout this report
- Discussed project issues with City of Kirkland Personnel

Larger Parcel Issue. The larger parcel determination considers the highest and best use, ownership, and physical relationship of the subject to other surrounding properties in order to render an opinion as to what overall property must be evaluated to fully evaluate the proposed acquisition. The subject property for this appraisal is comprised of a single site owned by the City. While the City owns property in the vicinity, we do not believe the larger parcel for this analysis extends beyond the defined tax parcel.

Extraordinary Assumptions/Hypothetical Conditions

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

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

— Hazardous Waste

We are not aware of any potential hazardous materials at the subject parcel. For purposes of this assignment, our analysis reflects an assumption that the subject

property is free of such contamination. This report assumes the absence of any and all hazardous waste on the subject property.

— Improvements

As noted previously we are evaluating only the land in this assignment. Thus, the site is assumed to be vacant.

— Proposed Project

As this assignment reflects a proposed acquisition, an analysis of the property requires the invocation of a Hypothetical Condition that the project acquisition has, in fact, occurred as proposed.

— Zoning

As will be discussed, the property is owned by the City of Kirkland and zoned P based on its ownership and current Public Use. For analysis purposes, we have assumed that the property is available for development as a typical, privately owned site would be. In speaking with Eric Shields, with the Kirkland Planning Department, it was determined that the most likely zoning if evaluated for surplus use would be CBD-1B. Thus, this report reflects the Hypothetical Condition that the property is zoned CBD-1B.

Personal Property

There is no personal property included in our analysis.

Exposure and Marketing Periods

The exposure and marketing periods are defined as those periods of time, before and after the date of value (respectively), which are necessary to achieve the value conclusion reported. The subject consists of commercial property (assumed) in a desirable Eastside location. The market in this vicinity was impacted by the general downturn in the economy, however, is considered to have largely recovered in the immediate vicinity. Exposure and marketing periods of 6 to 9 months are considered reasonable for the subject, if offered for sale at the appraised value (land only).

Regional Description

A specific analysis of the subject market is discussed below, with a complete *Regional Description* available upon request.

Area/Neighborhood Description

The subject is located in the center of downtown Kirkland. Uses in the immediate area include a mix of office, mixed use, retail and park/public services. The Kirkland CBD, has developed around the intersection of Central Way and Lake Washington Boulevard (also

known as Lake Street in the CBD), both of which are major thoroughfares. Lake Washington Boulevard connects Kirkland with Highway 520 and Bellevue to the south. Central Way connects the area with Interstate 405 (I-405) one-half mile east and the Juanita area lies northwest of the subject, and is reached via Market Street from the west end of Central Way.

In terms of land use, the CBD neighborhood is Kirkland's most complex area. The area contains a wide variety of land uses, including downtown retail businesses and office, a freeway interchange, industrial activities, offices, well-established single-family areas, large-scale multifamily development, a baseball facility, state-of-the-art library, performing arts facility, and a post office. It has a strong identity from its physical setting along the lakefront, distinctive topography sloping down from the north and east to the downtown core area creating views and diversity, and the scale of existing development. This is the historical center of the city incorporated in 1905. It is heavily pedestrian-oriented, as it was developed prior to parking requirements of modern times. Restaurants, delicatessens, and specialty retail shops, including fine apparel, gift shops, art galleries, import shops, marinas, and the like, constitute the use mix.

While the neighborhood is dominated by the commercial activities associated with Kirkland's downtown, there are considerable opportunities for residential development. This transition has been reflected over the last several years by the development of numerous mixed-use structures and multifamily projects to the east and southeast along Kirkland Way. Outside of the immediate downtown area, uses quickly transition to single-family residential.

— Market Analysis

The subject is zoned for Public use; however, we have discussed the issue with the Kirkland Planning department. Pursuant to our hypothetical condition, the subject property's potential zoning, were it vacant and available, would be CBD-1B. As such, a review of the multifamily market was conducted, including a review of data from the publications of Dupré + Scott Advisors. This information demonstrates some of the current trends in the multifamily residential marketplace.

Vacancy & Rents - Kirkland Multifamily Units - Current

	All	Studio	1 Bed	2/1 Bath	2/2 Bath	3/2 Bath
King - Eastside						
Market Vacancy (%)	3.9%	4.6%	3.6%	3.7%	3.9%	4.5%
Actual Rent (\$)	\$1,674	\$1,309	\$1,468	\$1,561	\$1,869	\$2,164
Actual Rent/NRSF	\$1.85	\$2.56	\$2.05	\$1.75	\$1.73	\$1.66
Kirkland						
Market Vacancy (%)	5.8%	6.9%	4.9%	4.4%	6.7%	9.3%
Actual Rent (\$)	\$1,986	\$1,547	\$1,674	\$1,846	\$2,333	\$1,974
Actual Rent/NRSF	\$2.21	\$2.67	\$2.35	\$2.03	\$2.13	\$2.19

Source: Dupre & Scott Advisors, September 2015

One can see that vacancy rates are at a historical low, though Kirkland lags behind the "Eastside" which includes Bellevue and Redmond. Rates stand currently at between 4.4% and 9.3% depending upon unit size. Actual rents in every category exceed the Eastside average and are also reflected in the net rentable rent received per square foot.

In terms of market activity and construction the following chart shows the past 4-year trend:

Absorption - Eastside Multifamily Units

	3/2011	3/2012	3/2013	3/2014	3/2015
Existing Product	37,308	37,680	38,835	39,255	40,390
New Units Opened	132	253	278	748	846
Total	37,440	37,933	39,113	40,003	41,236

Source: Dupre & Scott Advisors, September 2015

It is also interesting to note that Dupré & Scott projects an additional 2,128 units to be delivered to the overall Eastside market by September 2015.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.

Condominium Sales Statistics

MLS Area 560 - Kirkland

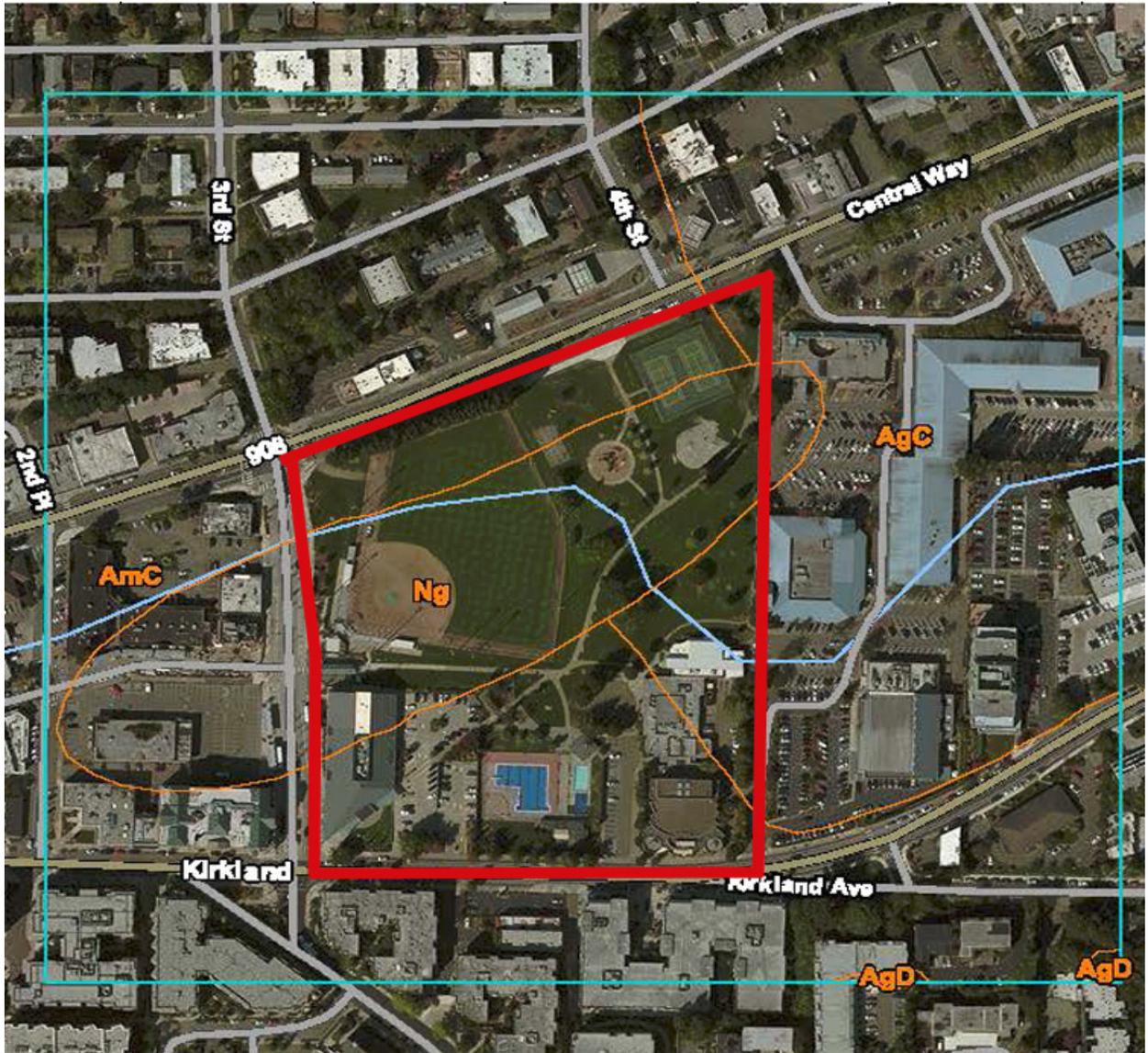
	2011	2012	2013	2014	YTD 2015	% Change 2011-2015	Avg. Annual % change
<u>Avg. Sales Price</u>							
Resale Condo-	\$331,224	\$372,811	\$406,604	\$477,845	\$460,041	38.89%	7.78%
New Construction Condo-	\$640,172	\$863,863	\$791,897	\$811,699	\$1,255,340	96.09%	19.22%
<u>Avg. Days on Market</u>							
Resale Condo-	76	79	33	38	32	-57.89%	-11.58%
New Construction Condo-	173	297	159	135	99	-42.77%	-8.55%
<u>Total Sales</u>							
Resale Condo-	301	350	407	434	418	38.87%	7.77%
New Construction Condo-	20	10	17	21	10	-50.00%	-10.00%

Source: NWMLS. Statistical data is year end data for each calendar year; YTD through October 2015

Average sales prices as well as volume of sales activity in the resale market has been trending up between 7% to 8% over the past four years. Simultaneously the average market time has been falling to just 32 days this year. The chart also indicates that average sales prices of new construction condominiums has risen markedly, nearly 20% on average over the recent time period, though the volume of activity appears to be slowing.

The multifamily residential market, particularly apartments, remains strong in the close-in markets. As can be seen above, rents have been rising, and vacancies have been decreasing. The condominium market is also very active, providing an entry level into ownership for many, due to rising single family home prices. The strength in this market segment is perceived to remain strong based on our interview of some market participants, as well as locally published reports reporting on this segment.

The subject property abuts Kirkland Park Place to the east. This existing 1.7-million-square-foot mall/commercial/retail complex has applied for a major redevelopment project. The new plan calls for a mixed-use, pedestrian oriented development containing roughly 300 residential units, 225,000 square feet of commercial space demised as follows; 155,000 square feet of general retail, including a relocated and enlarged 54,000-square-foot QFC, 3,000 square feet of restaurant space and 48,000 square feet of other retail; 40,000 square feet for a movie theatre; and 30,000 square feet for a health club. Some of this will be retained/remodeled from current improvements. The project required zoning text amendments to allow additional residential (including an affordable housing requirement); incentives for a movie theater; and a bank drive thru facility. It will also benefit from direct access to the public park, or subject property.



AgC	Alderwood gravelly sandy loam, 8 to 15 percent slopes
AgD	Alderwood gravelly sandy loam, 15 to 30 percent slopes
AmC	Arents, Alderwood material, 6 to 15 percent slopes
Ng	Newberg silt loam
Totals for Area of Interest	

Soils Map



PART II – FACTUAL DATA

Description of the Subject Property

— Site

The subject property consists of a single tax parcel, within the downtown area of Kirkland, Washington. According to the Assessor information, the site carries the physical address of 406 Kirkland Avenue. The site enjoys excellent access within the downtown Kirkland area and is surrounded by commercial and mixed use development.

— Topography

The subject is generally level throughout.

— Access

Central Way abuts the property on the north side, providing excellent access to a well-travelled commercial arterial with multiple travel lanes and a center turn lane. Third Street provides access to the west and Kirkland Avenue provides frontage and access along the south side.

Central Way extends easterly, becoming 85th Street, providing access to I-405 and Redmond, further to the east. The subject is considered to have excellent access locally.

— Sensitive Areas and 100-Year Floodplain

According to FEMA mapping (FIRM -0356), a portion the subject is encumbered by the 100-year flood hazard area. The site is classified as Zone AH, an area which can have flood depths of 1 to 3 feet, usually in a ponding fashion. It appears to be primarily in the northeastern portion of the site, thinning as it moves south, and lies relative to the existing ballfields and play areas. We refer the reader to the enclosed mapping.

— Soils

We have not received any specific studies regarding the subject property's soil content, but have reviewed the United States Department of Agricultural Web Soil Survey with respect to the subject property soils. This survey indicates two main soil types exist at the subject; Newberg Silt Loam (Ng) across the middle of the site, and Arents (AmC) surrounding to the south and west. Newberg soils are formed in floodplains, are well drained, with slopes of 0% to 2% and experience occasional flooding. The Arents soil is formed on till plains and is moderately well drained with slopes of 6% to 15% and little chance of flooding. We refer the reader to the enclosed mapping of the various soils locations on the subject site.

— Timber

There is no merchantable timber situated on the subject property.



FEMA Map



— Mineral

We have no information regarding the presence of marketable mineral reserves on the property, nor did the owner identify such. Thus, no mineral value is reflected in our conclusions.

— Utilities

All public utilities are currently available to the subject including power, phone, water, cable, sanitary sewer, and natural gas.

— Zoning

The subject property is currently zoned (P) by the City of Kirkland. For analysis purposes, however, we have considered the property to be zoned CBD-1B, the most likely zoning if offered for surplus. The CBD-1B zone is a mixed use downtown zoning classification. The following dimensional limitations are noted:

CBD-1B

Minimum Lot Area (sf)	None
Maximum Height	55'
Setbacks	
Front	0'
Side	0'
Rear	0'
Maximum FAR	N/Av
Maximum Lot Coverage	100%

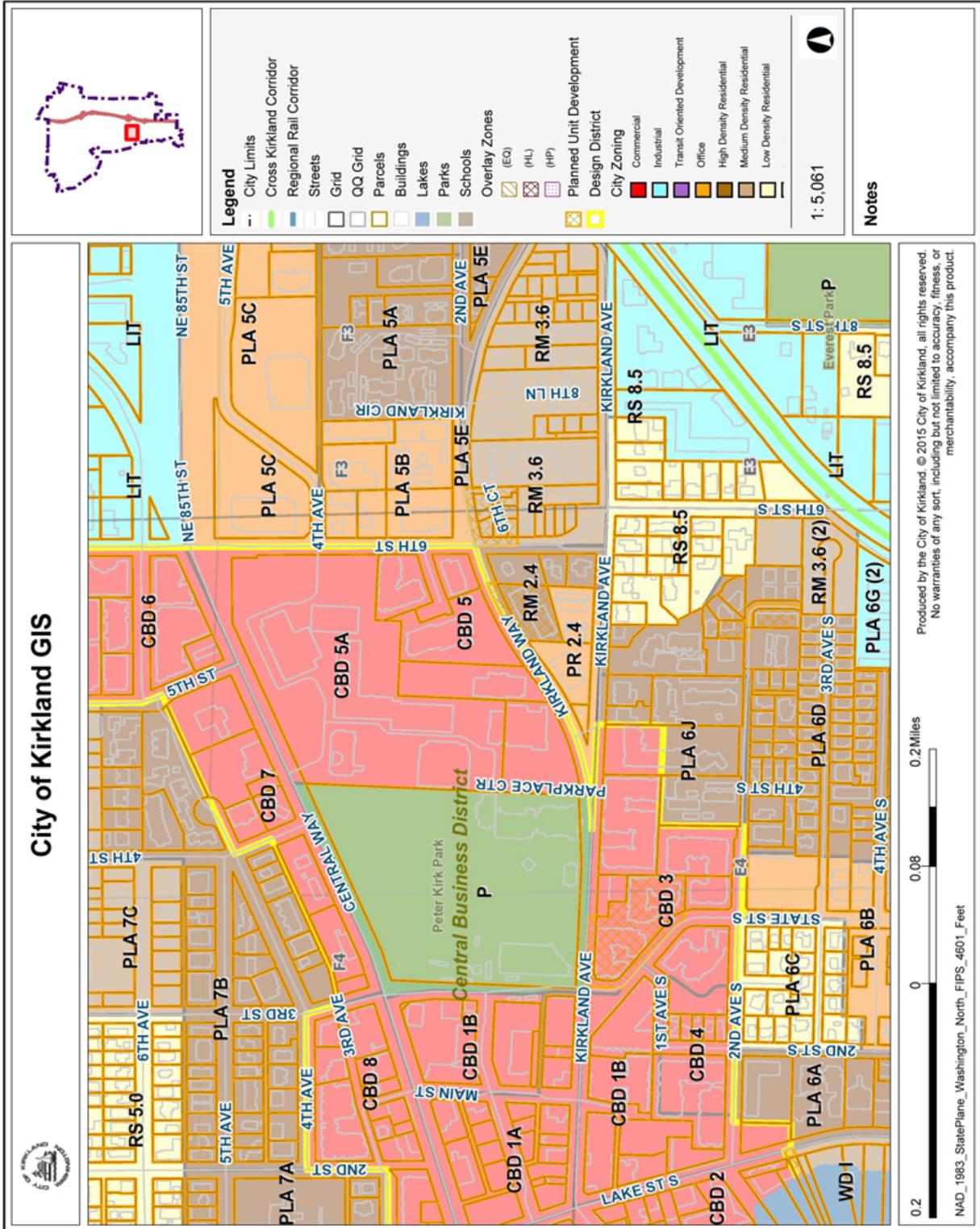
Permitted uses retail establishments, banking and financial services, hotel/motel, entertainment or recreation, office, stacked or attached residential, schools, public parks and residential suites.

— Easements and Encumbrances

We have not been provided with a Title Report. From our inspection it appears that the property is currently used as park area, with a sidewalk over a portion of the site. As noted previously, the park improvements are assumed to be replaced upon termination of the easement and thus are not quantified here. We have no information regarding the potential utilities on site.

— Assessed Value and Real Estate Taxes

The subject property, as defined for this assignment is publicly owned and has no assessed value or taxes at this time.



Zoning Map



— Description of Improvements

The subject property is currently improved with numerous park and municipal structures. These are excluded from this analysis as discussed previously.

— Site Improvements

The subject property has extensive site improvements; however, these are not considered in our analysis.

PART III – HIGHEST AND BEST USE

Highest and best use is defined as:⁵

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

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

Physically possible uses require an analysis of both the improvements (existing or proposed), as well as the underlying land. Size, topography, shape, access, soil conditions, wetlands, and utilities are all factors that can affect the development potential of a given site. With regard to the improvements, obviously it must be physically possible to construct a building before it can be considered the highest and best use.

Legally permitted uses are those which fall within current zoning laws and are permitted by all agencies having jurisdiction. These may include federal, state, and local laws; zoning, as mentioned; private and deed restrictions; as well as the possibility for zoning changes and variances.

The *financially feasible* category analyzes those uses that are physically possible, legally permitted, and which provide an adequate investor return. For income properties, this return is measured monetarily, while non-income-producing properties provide a somewhat less tangible measure of return. Risk is a primary determinant in the assessment of adequate return.

Finally, the uses satisfying all of the above criteria can be analyzed. The one use providing the highest return is considered maximally productive, and thus, the highest and best use.

⁵ From *The Appraisal of Real Estate*, Fourteenth Edition, 2013, Appraisal Institute, page 332

As If Vacant

Physically Possible. Physically, the subject consists of 12.48 acres of land situated within the city limits of Kirkland. The site size is large and as a single development project, would be a significant acquisition. Recent developments in the immediate vicinity vary between roughly 10,000 square feet and roughly 1 acre in size. The subject has an irregular shape, and slopes are very mild across the property. Access is another physical characteristic affecting the highest and best use, and the subject is considered to have excellent legal and developed access from public roads on three sides. Finally, all utilities are available to service development of the site.

Legally Permissible. The subject is currently under City of Kirkland jurisdiction and is zoned for Public uses. In accordance with our Hypothetical Condition, we are evaluating the property based on CBD-1B zoning, which permits mixed use development. There is no specific FAR or unit limit; however, the height and design requirements dictate maximum development potential. Surrounding properties with similar zoning either have or are proposing mixed use projects roughly 5 stories in height, with ground floor retail typically.

Financially Feasible/Maximally Productive. The demand for similar properties in Kirkland has been strong this year, following the economic recovery which began several years ago. Uses likely at the subject could include a wide variety of commercial uses including office, retail, hotel, senior housing, and apartments or condominiums, subject to zoning requirements. The market for such uses in the vicinity appears to be strengthening somewhat recently. The highest and best use analysis considers all the physical, environmental, and legal considerations, as well as those that are considered financially feasible/maximally productive.

Surrounding uses consist of single level retail and commercial to the west and north, condominiums to the south and north and the Kirkland Parkplace development east of the subject. This is a significant project currently undergoing redevelopment and expansion (this project is the reason for the easement that is the subject of this appraisal). With several hundred new multifamily units proposed, this development is expected to continue to be the commercial center of downtown, having substantial retail, office, and residential square footage. Other projects reflect upscale apartments and condominiums on smaller lots.

Perhaps the biggest challenge to the subject is its large size. A single development would be a significant undertaking, with large quantities of residential units, for which there is substantial supply currently. Absorption would likely require phasing or outright subdivision into smaller, more marketable sites. Office and retail uses are also plentiful in the downtown area, when considering projects under construction or in the planning phase.

Given the size and the location within the city limits of Kirkland, the highest and best use, as vacant, is considered to be long term development of mixed use residential product, subject to the zoning limitations for the site.

As Improved

Our analysis does not consider improvements to the subject property, rather the site is valued as if vacant.

PART IV - ANALYSES AND CONCLUSIONS TO VALUE

Valuation

Approaches Used in the Valuation Process – The valuation is obtained by the proper use of three different approaches to the value conclusion: the Cost Approach, the Income Approach, and the Sales Comparison Approach. These three approaches are different in character, but related somewhat in the known facts they require to arrive at an opinion of value from each. The final conclusion of value is derived through a correlation process in which the appraiser weighs one approach against the other to determine the relative merits of each before coming to a conclusion.

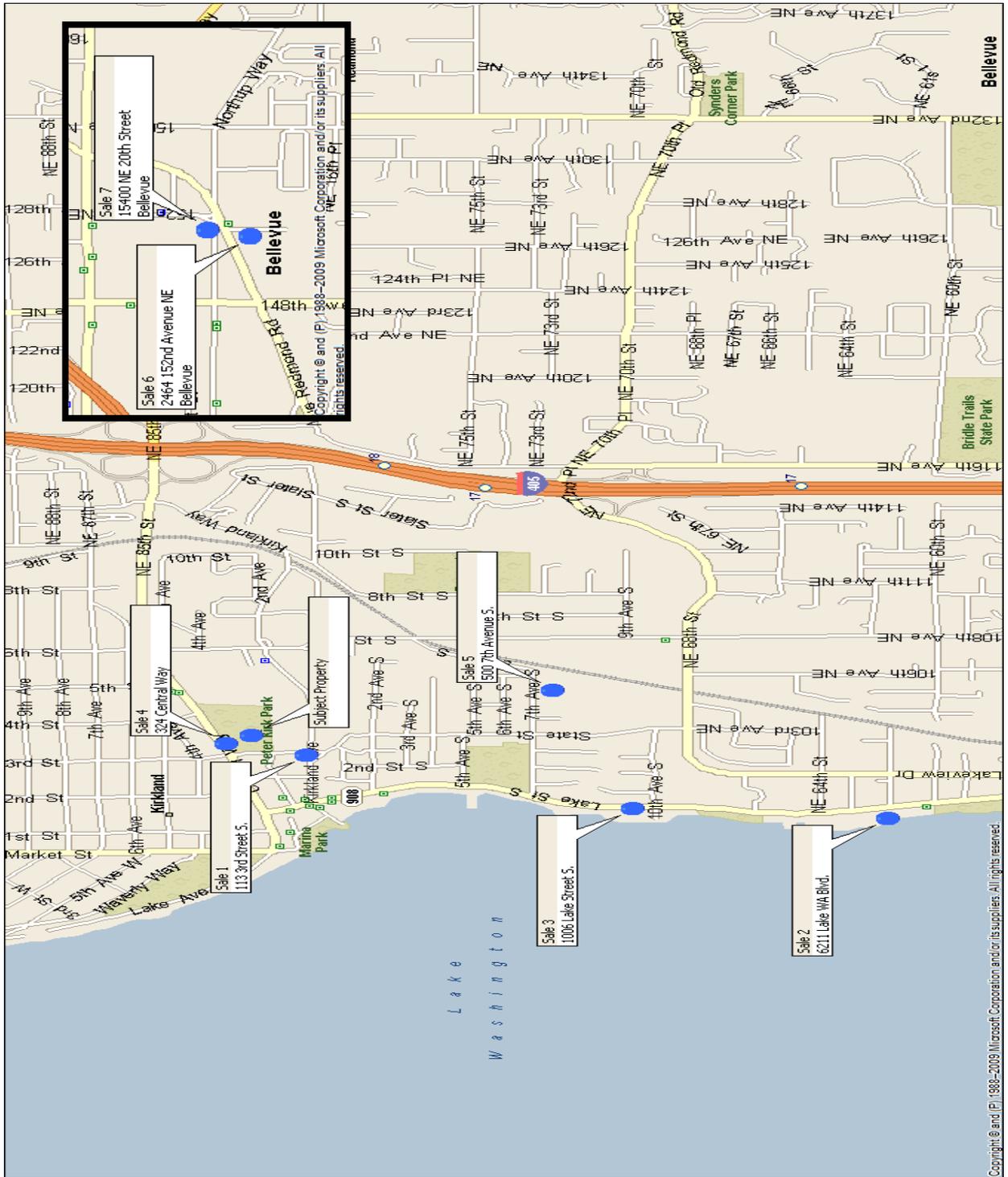
The Cost Approach to Value is the process of first generating an opinion of value for the subject land, to which is added the replacement cost new of the structure, less depreciation and the cost of land improvements. The sum of the costs is the indication of value by the Cost Approach.

The Income Approach to Value involves the estimation of a gross economic rental, which is then processed by subtracting an estimated vacancy and credit loss and operating expenses to obtain an estimated net operating income. The net operating income is then capitalized into a value conclusion by the appropriate capitalization rate derived from the market.

The Sales Comparison Approach to Value is utilized in several different methods. Sales of comparable buildings are analyzed to determine a sale price per square foot of building area. An alternative method deals with a gross income multiplier, which is an expression of the relationship between the gross income and value. For this assignment, the Sales Comparison Approach is used for the analysis of the underlying land only.

Final Correlation and Conclusion of Value – The various indications of value from the approaches are analyzed as to how they relate to one another, as well as to the market. The approach or approaches most appropriate are given the most consideration in arriving at a final opinion of value.

With consideration given to the highest and best use of the subject, the Sales Comparison Approach to value the underlying land will be utilized. Our analysis begins with an evaluation of the property in the existing condition. The After condition assumes the acquisition has taken place, allowing for a comparison of both the Before and After value conclusions.



Comparable Land Sales Map



Valuation of the Subject Property – Before Condition

The Sales Comparison Approach is useful when there has been sufficient sales activity of similar property to compare directly to the subject. A direct unit of comparison such as sales price per square foot, adjusted for variations in location, utility, access as well as other pertinent characteristics is applied to the subject's size to generate a value conclusion by this approach. The comparables are considered on a price per square foot basis. The following chart summarizes those sales that were considered most comparable to the subject:

Comparable Land Sales

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/sf Land	Zoning	Proposed Units	Price Per Prop. Unit
<u>Primary Sales</u>								
1	113 3rd Street	03/31/15	\$12,000,000	41,943	\$286.10	CBD-1B	125	\$96,000
2	6211 Lake Washington	09/19/14	\$7,500,000	42,688	\$175.69	WD I	N/A	N/A
3	1006 Lake Street S.	1/11, 8/14	\$8,300,000	54,509	\$152.27	BN	59	\$140,678
4	324 Central Way	09/9/2013	\$4,585,000	27,442	\$167.08	CBD7	76	\$60,329
5	500 7th Avenue S., Kirkland	09/13/13	\$8,233,000	220,849	\$37.28	PLA 6G(2)	N/A	¹ N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	\$52,555,556	1,210,097	\$43.43	OV-4	N/A	² N/A
7	15400 NE 20th Street	08/21/12	\$17,000,000	259,618	\$65.48	BR-CR	Unk.	N/A
<u>Other Comps Considered - Bellevue</u>								
8	10697 Main Street, Bellevue	09/15/15	\$12,290,000	46,662	\$263.38	DNTN-MU	160	\$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	\$14,250,000	191,664	\$74.35	BR-RC-3	450	\$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	\$23,000,000	457,300	\$50.30	BR-OR-2	N/A	N/A
<u>Other Comps Considered - Redmond</u>								
11	8338 160th Avenue NE	12/13/12	\$4,600,000	50,965	\$90.26	TSQ	170	\$27,059
12	15806 Bear Creek Parkway	Pending	\$6,200,000	55,509	\$111.69	RVBD	206	\$30,097
Subject Property				543,629		(CBD-1B)		
¹ . FAR based on proposed office bldg ² . Based roughly on proposed sf allowed per development agreement recorded prior to closing.								

— Discussion of Land Sales

Sale 1 is the proximate sale of a shy acre of land south of the subject. The property was put out for bid, and received 18 offers according to the Broker. Their target per unit acquisition price was \$75,000 to \$80,000, which translates to roughly 150 to 160 units. It is anticipated that the future development will consist mostly of apartments, but potentially some office as well. It closed for \$12,000,000 in March 2015, or \$286 per square foot of land.

Sale 2 is a waterfront site located on Lake Washington Blvd. It sold for \$7,500,000 to international investors in September 2014. It is registered in the planning department's project list as a proposed 13-unit condominium project. The sales price is indicative of \$175 per square foot of land or over \$576,000 per unit. Limited information was available for this sale, however the waterfrontage is clearly a superior feature.

Sale 3 is a project along Lake Street, at approximately 10th Avenue S. This reflects a two parcel assemblage, with the first half occurring in 2011 and the most recent in 2014. The combined price of \$8.3 million reflects an overall price of roughly \$152 per square

foot. The site sits across from the waterfront and will likely offer water views. The initial plan is for 59 units over ground floor retail. The project is known as Potala Village.

Sale 4 is another site located on Central Way proximate to the subject. It was a former gas station and carwash, and was sold with no entitlements or conditions in September 2013. There were some remediation and demolition expenses, estimated to be \$85,000. The site is zoned CBD-7 and is currently under construction with 76 units of apartments. The sales price of \$4,500,000 is adjusted to include the remediation costs by the buyer, for an analysis price of \$4,585,000, or \$167 per square foot of land.

Sale 5 is located at 500 7th Avenue S., in Kirkland. This is a mildly sloping site in the Kirkland marketplace, south of downtown Kirkland. The property abuts the pending Cross Kirkland trail and will be developed with an 180,000-square-foot office building by Google. This represents an expansion of the Google footprint in the vicinity. Our analysis reflects an additional \$400,000 for anticipated site cleanup costs by the buyer and results in a price per square foot of land to be \$37.28

Sale 6 is the former Group Health property located along 156th Avenue near the Microsoft campus between Bellevue and Redmond. The site has a good location and is generally level. The site will be developed with over 2 million square feet of residential, office, retail, and possibly a hotel. The overall development density was essentially determined prior to sale and there are considerable costs required by the buyer including demolition and significant infrastructure improvements in the form of stormwater and road work. These costs were estimated by the buyer to be in the range of \$20 million and this has been added to the sale price for analysis purposes.

Sale 7 is a previously improved site in the Bel-Red neighborhood. It is located at 15400 NE 20th and is known as the Sherwood Shopping Center. This property will generate interim income; however, redevelopment to a more intensive use is anticipated in the near future. The location is considered average in terms of retail appeal, and the zoning allows for an FAR of 2.0, considerably lower than that anticipated for the subject. Access is good within a neighborhood that is experiencing substantial redevelopment at this time

— Discussion of Adjustments

The first category of adjustments includes market conditions (time), financing and issues relating to the interests purchased. The subsequent category of adjustments reflects the physical features and locational differences. Our adjustments are applied relative to the usable land area for each of the comparables. In some cases it was necessary to estimate this, while in other cases the information was provided by a party to the transaction.

Rights Conveyed relates to the actual interests transferred. In terms of the rights conveyed the sales were considered to be reflective of fee simple sales, subject to

typical easements and encumbrances. No adjustments are applied to the sales for this category.

Conditions of Sale reflect adjustments for sales, which occurred under unusual and specific conditions. Many of the Sales had previous improvements requiring demolition by the buyer. Due to the developed locations, this is not uncommon and no adjustments are applied. Sale 7 provided significant interim income, for which a downward adjustment is applied.

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

In terms of adjustment support for time, we have reviewed the market for re-sales of mixed use commercial land. Our research revealed few recent sales that provide meaningful paired sale adjustment support comparison with the subject. Our discussions with brokers, as well as our observations of market activity lead us to conclude that the pace and pricing of sales for such properties has increased modestly as the region continues to emerge from the recessionary conditions. General sales activity is up relative to the 2012-2013 timeframe and some speculative development is re-emerging in certain sectors. The market analysis section of the report identifies trends in the CBD office submarket for which more sales data is available. The recent trends demonstrate support for trending in the past several years. Given the fact that our data is general in nature, we will consider the information qualitatively in our adjustment of the sales to the subject property. Accordingly, we have applied upward adjustments to all of the Sales that have occurred prior to 2015.

Physical characteristics, including differences in the intensity of use, location, access, view, and zoning or land use issues are reflected in the chart that follows. For the adjustments made, the notation includes an indication of whether the comparable is inferior or superior, followed by an opinion of the relative magnitude:

Adjustment Chart - Peter Kirk Park Property

Actual Sale	Price/sf	Rights Conveyed	Conditions of Sale	Financ.	Market Cond.	Location	Size	Topog./ Site Char.	Use/Entitl./ Zoning	Access/ Exposure	Cumulative Indication
1	\$286.10	0	0	0	0	Similar	Sup(---)	No Adj.	No Adj.	No Adj.	Significantly Superior
2	\$175.69	0	0	0	Inf(+)	Sup(-)	Sup(---)	No Adj.	Inf(+)	Sup(-)	Superior
3	\$152.27	0	0	0	Inf(+)	Similar	Sup(---)	Sup(-)	Sup(--)	No Adj.	Superior
4	\$167.08	0	0	0	Inf(++)	Similar	Sup(---)	No Adj.	No Adj.	Similar	Superior
5	\$37.28	0	0	0	Inf(++)	Inf(+)	Sup(-)	Inf(+)	Inf(+)	Inf(+)	Inferior
6	\$43.43	0	0	0	Inf(++)	Inf(+)	Inf(+)	No Adj.	Similar	Inf(+)	Inferior
7	\$65.48	0	Sup(-)	0	Inf(++)	Inf(+)	Sup(-)	No Adj.	Inf(+)	Similar	Inferior

— Conclusion of Value – Before Condition

As indicated, the identified comparables represent similarly zoned land recently sold in the surrounding market area. The sales used for comparison occurred in the 2012-2015 timeframe. Sale 5 clearly establishes the lower limit to value in the range of \$37 per square foot.

It is interesting to note that sales within the immediate market area suggest pricing significantly above that of the more distant sales. While location is considered a factor here, the large size of the subject warrants consideration of sales outside of the immediate vicinity to reflect the unique characteristics associated with a potential development of this size. The smaller sales reflect pricing well above \$100 per square foot, while the larger sales demonstrate prices in the \$37 to \$65 per square foot range, but are generally considered inferior. After discussions with market participants, the upper limit to value is demonstrated by sales of relatively small sites, with the potential for relatively efficient development and sale of the finished product, and a substantial adjustment is warranted relative to the subject property. Development of the subject would be well-received by the market in our opinion, however the likely development and absorption period may extend into the next market cycle, and increased risk therefore exists.

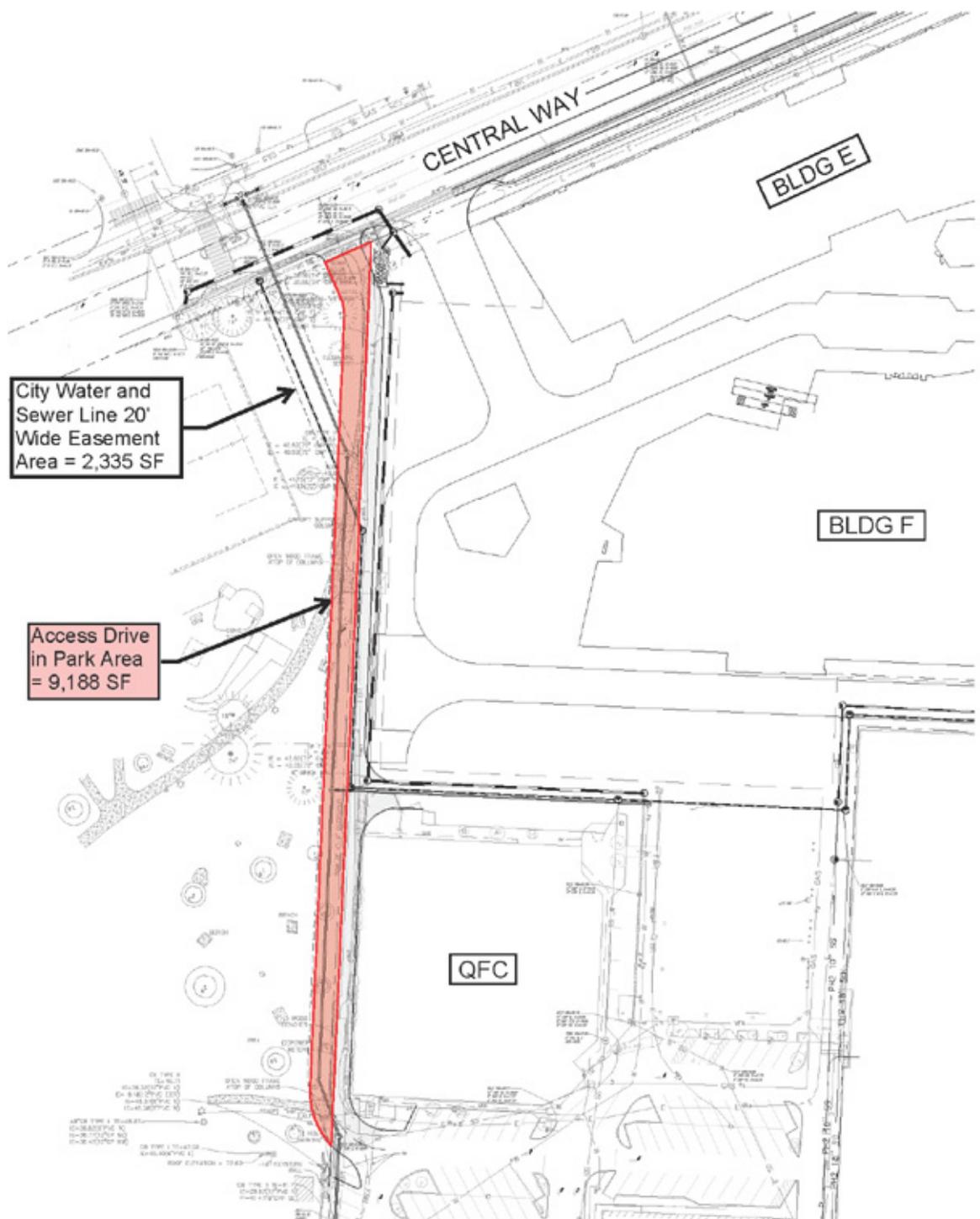
The subject benefits from its strong Eastside location, and fairly close proximity to I-405, as well as Bellevue's CBD and the redevelopment activities occurring nearby. After consideration of all adjustments, we believe a value of \$80 per square foot of land is considered supportable for the subject, and is summarized as follows:

$$543,629 \text{ sf} \times \$80/\text{sf} = \$43,490,320$$

This is within the range exhibited by the comparable sales.

— Site Improvements

No Site improvements are evaluated here.



COUGHLINPORTERLUNDEEN
STRUCTURAL CIVIL SEISMIC ENGINEERING

**Kirkland Park Place
Access Drive Areas
Exhibit**



1"=80' at 8.5x11

Proposed Access Easement Map



Description of Proposed Acquisition, Remainder, and Potential Damages

The proposed acquisitions from the subject are described as 1) a permanent subsurface utility easement, and 2) a temporary easement for road purposes over the northeasterly portion of the site. No permanent rights are being acquired for road purposes, and the access road serving the adjacent property is expected to be reconstructed on the adjoining property following construction.

The *utilities* easement allows for the extension of subsurface utilities from Central Way, through the subject site at an angle, eventually following the eastern property line. This easement measures roughly 20 feet wide and totals 9,905 square feet. Of this, 7,570 square feet is aligned underneath the proposed temporary road easement, along the eastern property line. Connecting to this is a 2,335-square-foot segment that connects at a diagonal from Central Way.

The *temporary easement* is expected to last 2 years and will allow for the Parkplace project construction. The easement area, as shown on the enclosed map, will encumber a total of 9,188 square feet and will be located at the eastern property line. No documents have been provided outlining specific easement rights; however, the rights are simply characterized as an access road. Thus, an ongoing surface use of the property is anticipated. No subsurface rights or aerial rights (beyond those necessary to accommodate road usage) are anticipated.

The easement acquisitions are not expected to impact the highest and best use or overall functionality of the City property aside from the uses noted above.

— General Property Description – After Condition

The total property size will remain unchanged.

In terms of utilities, there is expected to be no change in the availability of all utilities. We are aware of no known LID assessments in conjunction with this project.

— Highest and Best Use – Remainder As-If Vacant

Based on location, site size, and zoning, the After site will have virtually identical site utility in the after condition and no change is anticipated to the Highest and Best use, as vacant.

— Highest and Best Use – Remainder As Improved

Not Applicable.

Valuation in the “After” Condition

In the “After” situation, the subject will contain an identical site size of 543,629 square feet and will have similar overall functionality. The same land sales utilized in the before condition are appropriate in the After situation. Again, these are analyzed on a price per square foot basis, as this is the typical unit of comparison for commercial land. These are reiterated here for convenience.

Comparable Land Sales

Sale	Identification	Sale Date	Sale Price	Land Area (sf)	Price/sf Land	Zoning	Proposed Units	Price Per Prop. Unit
<u>Primary Sales</u>								
1	113 3rd Street	03/31/15	\$12,000,000	41,943	\$286.10	CBD-1B	125	\$96,000
2	6211 Lake Washington	09/19/14	\$7,500,000	42,688	\$175.69	WD I	N/A	N/A
3	1006 Lake Street S.	1/11, 8/14	\$8,300,000	54,509	\$152.27	BN	59	\$140,678
4	324 Central Way	09/9/2013	\$4,585,000	27,442	\$167.08	CBD7	76	\$60,329
5	500 7th Avenue S., Kirkland	09/13/13	\$8,233,000	220,849	\$37.28	PLA 6G(2)	N/A	¹ N/A
6	2464 152nd Avenue NE, Bellevue	03/15/13	\$52,555,556	1,210,097	\$43.43	OV-4	N/A	² N/A
7	15400 NE 20th Street	08/21/12	\$17,000,000	259,618	\$65.48	BR-CR	Unk.	N/A
<u>Other Comps Considered - Bellevue</u>								
8	10697 Main Street, Bellevue	09/15/15	\$12,290,000	46,662	\$263.38	DNTN-MU	160	\$76,813
9	2211 156th Avenue NE, Bellevue	09/13/13	\$14,250,000	191,664	\$74.35	BR-RC-3	450	\$31,667
10	1899 120th Avenue NE, Bellevue	09/03/13	\$23,000,000	457,300	\$50.30	BR-OR-2	N/A	N/A
<u>Other Comps Considered - Redmond</u>								
11	8338 160th Avenue NE	12/13/12	\$4,600,000	50,965	\$90.26	TSQ	170	\$27,059
12	15806 Bear Creek Parkway	Pending	\$6,200,000	55,509	\$111.69	RVBD	206	\$30,097
Subject Property				543,629		(CBD-1B)		

1. FAR based on proposed office bldg

2. Based roughly on proposed sf allowed per development agreement recorded prior to closing.

— Discussion of Land Sales and Conclusion of Site Value – After Condition

A similar value is concluded as in the before condition, prior to consideration of the proposed easements. Thus, the property is considered to have a similar value of \$80 per square foot, applied to the 533,724 square feet unaffected by the permanent easement (543,629-9,905). The temporary easement will be discussed subsequently.

— Proposed Fee Acquisition

There is no Fee acquisition proposed.

— Easements Proposed for Acquisition

As noted, there will be a proposed easement for subsurface utilities over a total of 9,905 square feet of land. The majority of this abuts the eastern property line.

Support for Easement acquisition conclusions are derived in part, from ongoing surveys performed by our firm. The surveys involve interviews with numerous parties that either own significant corridors or right-of-ways and/or are active in obtaining and granting easements, licenses, permits, and other similar instruments. We have interviewed representatives of the Bonneville Power Administration (BPA), Puget Sound Energy (PSE), Seattle Public Utilities (SPU), and Snohomish County PUD, as well as employees at

various cities and utility districts in the Puget Sound region. The surveys revealed that the calculation of easement damages for subterranean easements may range generally from 10% to 50% with the lower end of the range for easements along the periphery of property boundaries, or within areas that are otherwise not buildable due to setbacks required by zoning. Aerial and surface easements tend to reflect increased discounts above 50%, and in some cases, close to 100%. This higher discount reflects the increased reduction in potential uses afforded to the underlying fee simple property owner by such easements.

The following are specific examples based on our surveys from various agencies for easements:

Summary of Easement Support Information

Agency (User)	Easement Rights Granted	Use	Typical Discount From ATF Value/FMV/AV	Easements w/ Reversionary Interest
<u>Bonneville Power Administration (BPA)</u>	Surface & Aerial	High Voltage Power Transmission Lines	25% to 100% *	See Note 1
<i>* Low end of range paid by BPA for esmts. in rural and agricultural areas; Higher end (75-100%) of range is in urban areas Note 1) Typically released to owners at no cost. Theory being BPA has reached full benefit of that easement. In cases where acquired, but surplusd & never used, can be amt. BPA paid, or FMV times a discount. No specific examples were available.</i>				
<u>City of Kenmore</u>	Surface	Slope Easements	30%	
<i>As part of the SR-522 Highway Improvement project, City of Kenmore acquired various surface and subsurface easements for the project.</i>				
<u>Puget Sound Energy (PSE)</u>	Surface, Subsurface & Aerial	Road & Utility Crossings	50% *	No specific cases
	Subsurface	Linear Pipe	25% to 50% (37.5% avg) ** 25% to 75% ***	
<i>*Discount applied by PSE for minor esmt. crossings in urban areas. For remote locations, a min. fee of \$500 is charged. **Granted by PSE to SPU for Tolt 2-water pipeline encumbering 30' of the 150' corridor *** Disc. Applied to the esmt area only for PSE acquired easements. Low end for esmts in required setbacks.</i>				
<u>Snohomish County PUD (SnoPUD)</u>	Surface & Subsurface	Utility Crossings	50-100% * 10-20% **	No specific cases
<i>*Discount applied by SnoPUD for significant encumbrance. **Discount applied for less significant encumbrance, with low-end of discount pertaining to w/in setback areas.</i>				
<u>Sammamish Water & Sewer</u>	Surface & Subsurface	Utility Crossings	15-50% *	No specific cases
<i>*Discount applied by Samm Water based on either Appraisal or Assessed Value.</i>				
<u>Seattle City Light</u>	Surface & Subsurface	Utility Crossings	25-100% *	No specific cases See Note 1
<i>*Discount applied by Seattle City: 25-50% for less significant encumbrances; 75-100% for Transmission Lines. Note 1) No specific case for reversionary interests; however, would likely perform in reverse of easement acquisition (i.e. sell back @ same discount).</i>				
<u>Woodinville Water District</u>	Subsurface	Utility Crossings	15-25% *	No specific cases
<i>*Discount applied by Woodinville Water: 15-25% for easement encumbrances; based on either Appraisal or Assessed Value.</i>				
<u>Alderwood Water District</u>	Subsurface	Utility Crossings	30-40% *	No specific cases
<i>*Discount applied by Alderwood Water: 30-40% depending on level of easement encumbrance.</i>				
<u>King County DOT</u>	Surface & Subsurface	Road & Utility Crossings	50-100% *	No specific cases
<i>*Discount applied by King County DOT with 1 of 3 classes: A Class Road (DOT Paid for it & maintain it): Discount applied at 100% of Appraised or Assessed Value. B Class Road (DOT didn't pay for it but maintain it): Discount applied at 75% of Appraised or Assessed Value. C Class Road (DOT didn't pay for it & don't maintain it): Discount applied at 50% of Appraised or Assessed Value.</i>				
<u>Northshore Utility District (NUD)</u>	Subsurface	Water & Sewer Mains/Crossings	25% to 50% *	
<i>*Low end of range paid by NUD using Assessed Value for esmt. in a yard setback; higher end reflecting site area outside of a required setback.</i>				

It is anticipated that no structures would be permitted to be constructed over subsurface easements. This is reflected in the overall "bundle of rights" associated with real property ownership. In circumstances where acquired easements do not significantly alter the highest and best use, impacts would tend toward the lower end of the range. The opposite is also true of more significant easements, extending to property beyond the actual affected area in certain cases. Another consideration in the

analysis of such impacts may be the ability to derive value from the affected area through the transfer of density, or contribution to overall development.

In addition to our survey and research, the following published information provides guidance for support of diminution in value for various easements:

Easement Rights Balance Sheet
Appraisal of Easements Under the State Rule, Appraisal Journal

Extent of Encumbrance on Land Use	Interference with Owner's Private Usage	Change in Highest & Best Use	Intuitive % of Fee Value
Negligible Restrictions	None, ephemeral or occasional	No change to HBU or Larger Parcel	Nominal to 10%
Variable Restrictions	Physical joint use of surface	Variable change to HBU and/or Larger Parcel	50% more or less
Exclusive Restrictions	Exclusion of owners private use	Substantial change in HBU; Severance from Larger Parcel	90% to 100%

The above chart was written by Donald Sherwood, SR/WA for the May/June 2006 Right-of-Way Journal. It has been included here as a general guide in examining the effect an easement may have on the total bundle of rights when considering the level of severity/impact of the easement, and whether or not there is a potential for change of the highest and best use of the site.

With consideration given to the proposed easements and the general utility of the subject property, we concluded a value reduction for the permanent utility easement to be 25% of fee value. Thus, the After value for this segment would equate to \$60 per square foot. The *After Value* is summarized as follows:

<u>Unaffected Area</u>	
533,724 x \$80/sf =	\$42,697,920
<u>Area Subject to Permanent Easement</u>	
Perm.esmt-Utility – 9,905 sf x \$60/sf:	\$594,300
Total After Value - Land	\$43,292,220

Summary and Recapitulation

The "Before and After" value conclusions are presented as follows:

"Before" Condition	\$43,490,320
"After" Condition	<u>(\$43,292,220)</u>
Value Difference,	\$198,100
Rnd	\$200,000

A breakdown of total acquisition is as follows:

ALLOCATED AS FOLLOWS:

VALUE OF PART TAKEN (LAND):	\$0
VALUE OF PART TAKEN (SITE IMPS):	\$0
DAMAGES TO REMAINDER:	
PERM.ESMT-UTILITY – 9,905 SF X \$20/SF:	\$198,100
DAMAGES: IMPROVEMENTS	\$0
LESS SPECIAL BENEFITS:	____(\$0)
TOTAL OF ACQUISITION:	\$198,100
	(RND): \$200,000

— [Discussion of Temporary Construction Easement](#)

The subject will also be encumbered by temporary easement (TE) for the 2-year construction phase. This is to be located at the northeast portion of the property. This area can be described as generally level land. The total area is 9,188 square feet, and while no specific dimensions were provided, the affected area appears to measure roughly 15' x 600' by our estimate.

Compensation for the Temporary Easement is generally calculated based on the underlying land value conclusion, multiplied by a rate of return. The areas impacted by the TE totals 9,188 square feet according to information provided. Payment for temporary easements typically reflect a rental rate for the use of the land, and range narrowly throughout the region, between 8% and 10%. This reflects the periodic rental of property based on its overall value. The duration and intensity of use is considered, and we have applied an 8% *annual* return to our land value for the TE.

The fact that the easement is aligned along the edge of the property, in an area typically affected by setbacks may impact the value if a permanent property right were acquired since the evaluation would be based on a Before/After analysis. Since this easement is temporary, the analysis reflects the average unit value for the land, based on the duration of temporary use.

The road easement affects only the surface rights, with no subsurface or additional aerial rights acquired, however a portion is being encumbered by a permanent utility easement, which impacts the underlying value for temporary rental purposes. In terms of the vertical interests associated with the temporary road easement, the rights acquired do not reflect 100% of the property. It is acknowledged, however, that a surface use often impacts property to a greater degree than other vertical interests. From our experience, easement rights for road or sidewalk purposes can range from

roughly 50% to 100% of the fee value, with the previously discussed data providing support.

The periodic rental rate will be applied to the area affected. Based on the characteristics of the proposed easement, including the location at the edge of the property, we have applied a figure of 60% to reflect the surface only use rights.

Of the 9,188 square feet of easement, 7,570 square feet was previously encumbered by a permanent utility easement, and the remainder unit value is \$60 square feet. The balance of the easement (1,618 sf) is evaluated using the \$80 square feet basis. Thus, the temporary easement compensation is derived as follows:

Area Unencumbered by Permanent Utility Easement

$$\$80/\text{sf} \times 1,618\text{sf} \times 60\% \times 8\% \times 2 \text{ yrs} = \$12,426$$

Area Encumbered by Utility Easement

$$\$60/\text{sf} \times 7,570\text{sf} \times 60\% \times 8\% \times 2 \text{ yrs} = \$43,603$$

Total for 2-Year Duration: \$56,029, rnd.

The above figure equates to \$2,334.54 per month for the temporary easement described.

CERTIFICATION OF VALUE

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

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



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

Addenda

Qualification of Appraisers

Qualifications of S. Murray Brackett, MAI

Senior Managing Director

Valbridge Property Advisors | Allen Brackett Shedd

Education

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

Professional Education

Appraisal Courses: All appraisal courses required for MAI designation.

Seminars and Continuing Education (abbreviated summary of coursework):

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

Professional Affiliation

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

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

Member, International Right-of-Way Association

Associate Member, Washington Airport Manager's Association

Appraisal Experience

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

S. MURRAY BRACKETT, MAI (cont.)

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

Other Experience

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

Presentations: October 2003 - WPMA Conference – “The Valuation of Non-Water Dependent Properties.”

September, 2009 - Valuation of Airport Properties, WAMA

December 9, 2010 - AI-Seattle Fall R.E. Conference – Panelist/presenter for Appraisal Issues relating to Partial Acquisitions in Eminent Domain cases.

Representative Client List

Cities/Counties

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

Government

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

Financial Institutions

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

Airports

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

Corporations and Non Profits

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

S. MURRAY BRACKETT, MAI (cont.)

Attorneys

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

State Certification Number - General: 27011-1100853 **Expiration:** 11/21/17

(Revised 11/22/13)

ATTACHMENT B

Kirkland Park Place - Peter Kirk Park Edge Renovation Estimate

Hewitt 12.3.15

		QTY	Unit	Unit \$	Total \$
Landscape Improvements					
Fine Grading	final grading of landscape and hardscape improvement zone	30295	SF	0.65	19691.75
Planting top soil		148	CY	40	5920
Proposed Trees	3" caliper deciduous	11	each	800	8800
Proposed Trees	6" caliper deciduous	3	each	1500	4500
Shrub areas	large size- assumes reuse of ex. Irrigation system/ soil amend.	8000	SF	10	80000
Hydro Seed Turf	assumes reuse of ex. Irrigation system/ soil amendment	14130	SF	0.35	4945.5
Total Landscape					123857.3

Hardscape Improvements					
CIP Stairs		80	SF	75	6000
Handrails	Galvanized painted	20	LF	45	900
CIP Std. Pedestrian Sidewalk	4" depth (scoring and sandblast finish)	8085	SF	9	72765
Sidewalk aggregate base course	6" depth	149	CY	44	6556
Total Hardscape					86221

Site Furnishings					
Park Benches	(w/ backs, armrests, architectural finish)	12	each	1800	21600
Trash / Recycle Receptacles	(architectural finish)	3	each	900	2700
Bike Racks	Location TBD - Aproximate number	6	each	275	1650
Pedestrian Pole Light	(15' City Standard-conduit-driver equipt.)	11	each	5000	55000
Total Site Furnishings					80950

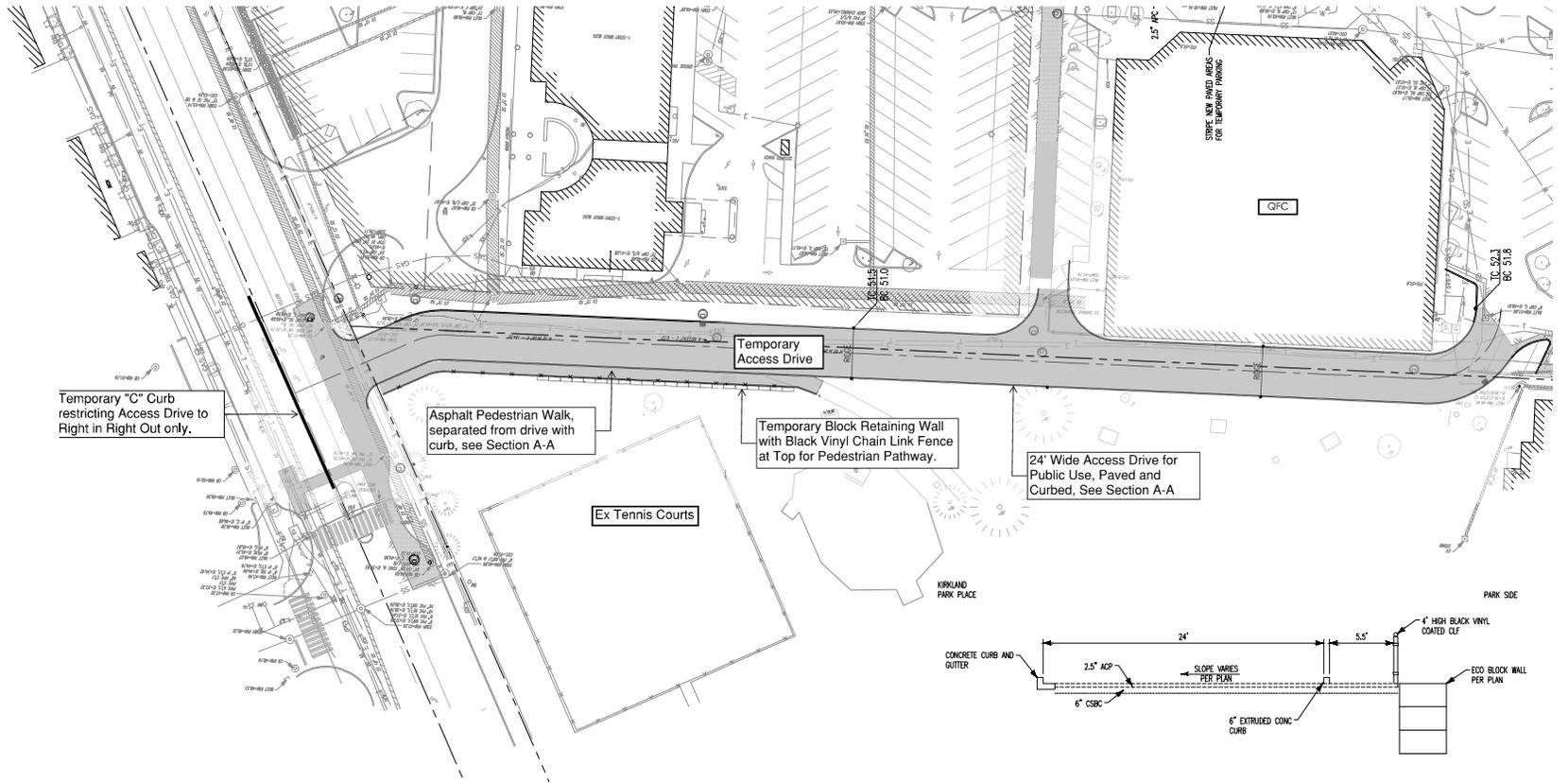
Subtotal Park Edge Renovation =	291028.3
--	-----------------

Contractor overhead and Profit	Approximate 8%	23282.26
Sales Tax	Approximate 9.5% (WA - King County)	27647.68
Inflation (for 2017 Construction)	Approximate 3% per year	8730.848
Construction / Design Contingency	Approximate 10%	29102.83

Total Park Edge Renovation =	\$379,791.87
-------------------------------------	---------------------

* Assumes mass grading work completed before park improvements

*Does not include demolition, clearing, grubbing, utilities, or permit fees



Temporary "C" Curb restricting Access Drive to Right in Right Out only.

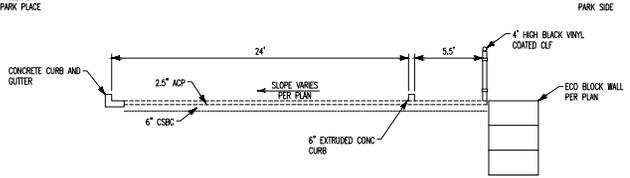
Asphalt Pedestrian Walk, separated from drive with curb, see Section A-A

Temporary Access Drive

Temporary Block Retaining Wall with Black Vinyl Chain Link Fence at Top for Pedestrian Pathway.

24' Wide Access Drive for Public Use, Paved and Curbed, See Section A-A

Ex Tennis Courts



Access Road and Path Section (A-A)

1"=5'

TECHNICAL MEMORANDUM

Project: Kirkland Parkplace Redevelopment Project
Subject: Assessment of Temporary Access at Central Way/4th Street
Date: September 21, 2015
Author: Jennifer Barnes, P.E. *JAB*
Marni C. Heffron, P.E., P.T.O.E.

We have reviewed the temporary access driveway that is planned to accommodate Parkplace-generated traffic at Central Way during the period in which construction activities in the northwest area of the site require that the existing driveway be closed (see Civil Site Plan C301 prepared by Coughlin Porter Lundeen, September 14, 2015).

We recommend that outbound vehicles from the temporary driveway be restricted to right-turn-only (left turns prohibited) for the following reasons:

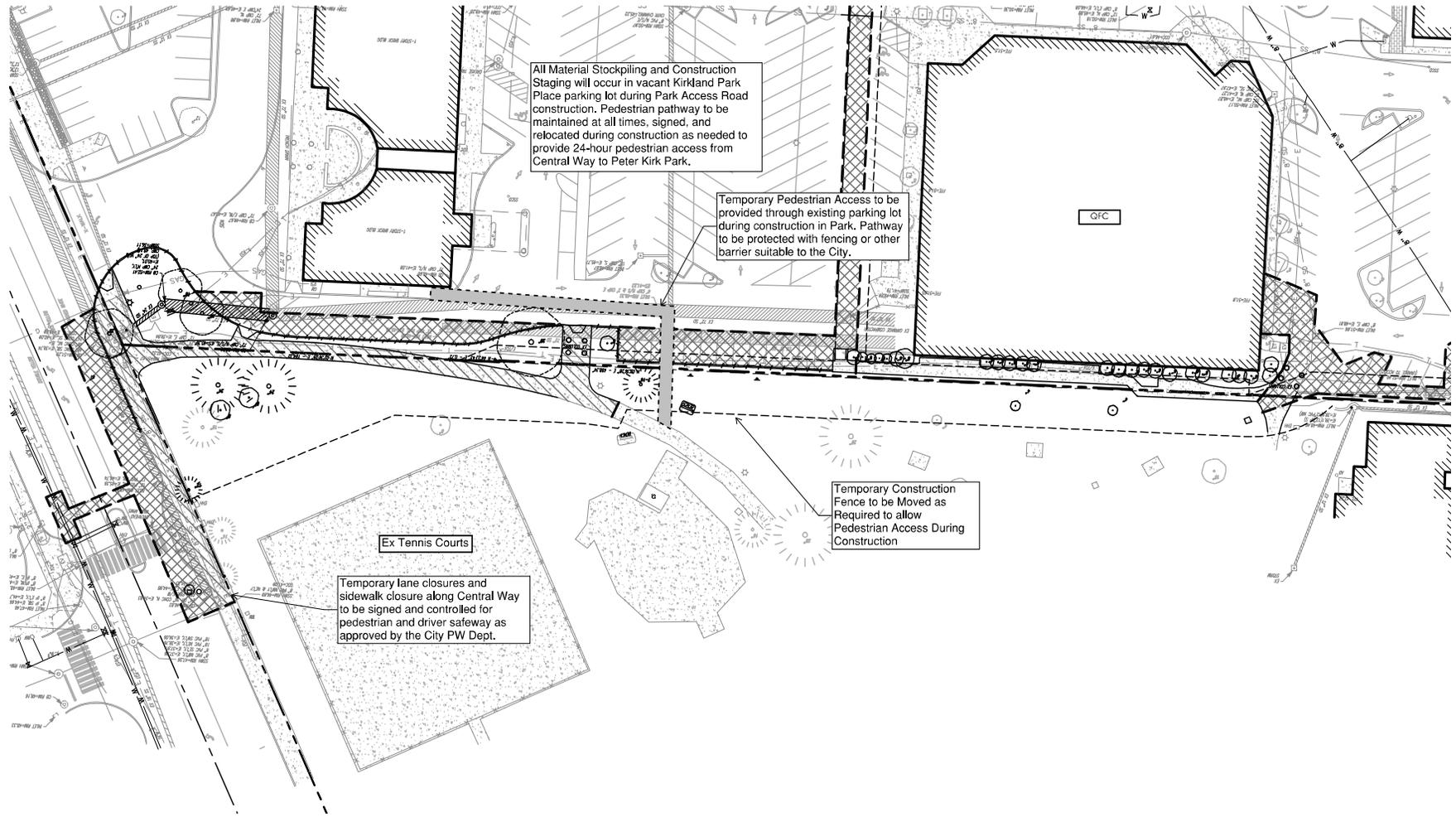
1. The pedestrian island on Central Way just east of 4th Street limits the use of the center lane to accommodate an outbound two-stage left turn, so outbound left-turning vehicles would have higher delay than they do at the existing Central Way driveway.
2. With only one outbound lane, the waiting left-turning vehicles would additionally hold up right-turning vehicles waiting behind them (expected to be the higher proportion of exiting vehicles at this location), in turn increasing their delay compared to existing conditions.
3. These conditions could cause some outbound drivers to choose shorter gaps when entering the traffic stream on Central Way, increasing the potential for safety conflicts at the intersection.

Prohibition of outbound left turns will address these potential issues. With the outbound left-turn restriction, signage will need to be provided on site that directs drivers headed westbound from the site to use the south driveway at Kirkland Way.

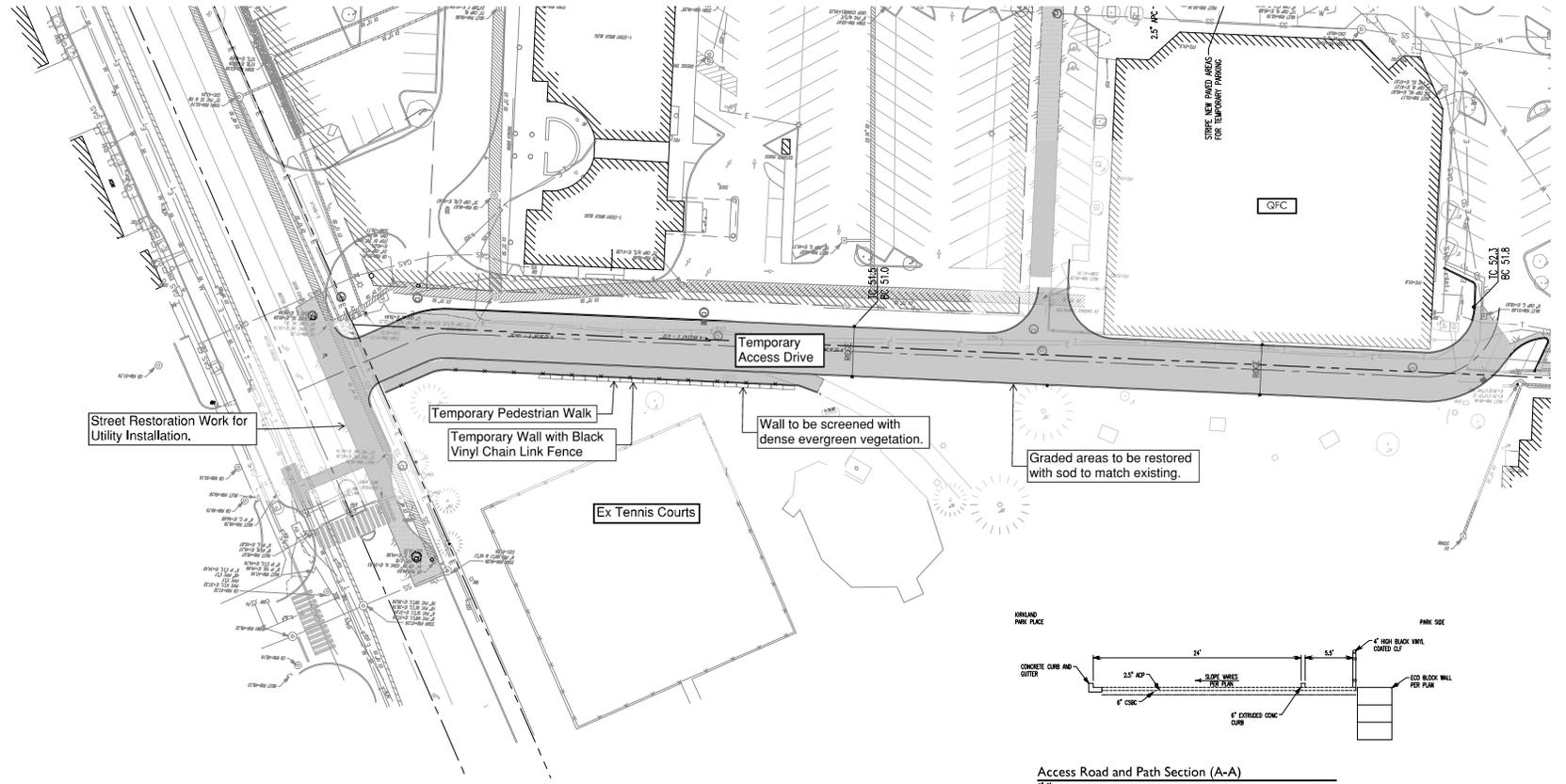
The left-turn lane on the westbound approach to the temporary access driveway will be able to accommodate inbound left turns, similar to the existing Central Way driveway, so no inbound turn restrictions should be needed.

JAB/mch

Traffic Review of 4th Street Temporary Access - FINAL.docx



Copyright 2014, COUGHLIN PORTER LUNDEEN, Inc.



Street Restoration Work for Utility Installation.

Temporary Pedestrian Walk
 Temporary Wall with Black Vinyl Chain Link Fence

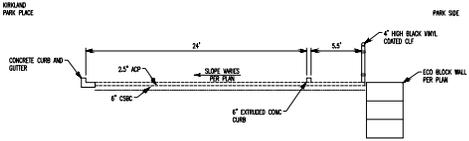
Temporary Access Drive

Wall to be screened with dense evergreen vegetation.

Graded areas to be restored with sod to match existing.

Ex Tennis Courts

QFC



Access Road and Path Section (A-A)

RESOLUTION R-5177

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO SIGN A TEMPORARY LICENSE AGREEMENT WITH KPP DEVELOPMENT LLC FOR THE TEMPORARY USE OF CITY PROPERTY FOR THE PURPOSE OF ACCESS TO CENTRAL WAY DURING THE CONSTRUCTION OF THE PARKPLACE PROJECT AND THE CONSTRUCTION OF PUBLIC UTILITIES TO BE PERMANENTLY LOCATED IN THE EASTERLY EDGE OF PETER KIRK PARK.

1 WHEREAS, the City owns the real property known as the Peter
2 Kirk Park generally located at 406 Kirkland Avenue, Kirkland (City
3 Property); and
4

5 WHEREAS, KPP Development LLC (KPP) owns or controls
6 approximately 11.07 acres of real property immediately east of and
7 adjacent to the City Property known as the Parkplace Property and
8 generally located at 457 Central Way, Kirkland (Parkplace Property); and
9

10 WHEREAS, KPP intends to develop the Parkplace Property as a
11 mixed use development (the Project) in accordance with the
12 Development Agreement dated August 24, 2015, between the City and
13 KPP recorded at King County Recording Number 20150827000785; and
14

15 WHEREAS, the development plan calls for approximately 1.175
16 million square feet of development with 650,000 square feet of office;
17 225,000 square feet of retail/fitness/entertainment; and 300,000 square
18 feet of residential (250-300 units); and
19

20 WHEREAS, KPP's goals for the Project are to develop a thriving
21 commercial, retail and commercial center, for a return on investment
22 and quality public infrastructure and service; and
23

24 WHEREAS, the City's goals in the development of the Project
25 include implementing its Comprehensive Plan, producing positive
26 economic impacts to the City, promoting environmental quality, and
27 mitigation of Project impacts; and
28

29 WHEREAS, in connection with KPP's construction of the Project,
30 KPP has requested that the City grant KPP a temporary license over,
31 under, across, through and upon a portion of the City Property for the
32 purposes of access to Central Way and construction of public water and
33 sewer utility lines which will be permanently placed in the easterly edge of
34 Peter Kirk Park; and
35

36 WHEREAS, in consideration of the City's grant of a temporary
37 license, KPP shall construct and install pedestrian pathways, landscaping
38 and other improvements to Peter Kirk Park; and

39 WHEREAS, in view of the public benefits to be gained by the City
40 through construction and installation of improvements to the Park and
41 development of the Project, the City is willing to grant a temporary
42 license upon the terms and conditions set forth in the Temporary
43 License Agreement.

44
45 NOW, THEREFORE, be it resolved by the City Council of the City
46 of Kirkland as follows:

47
48 Section 1. The City Manager is authorized to sign a Temporary
49 License Agreement substantially in the form of the Temporary License
50 Agreement attached to this Resolution.

51
52 Passed by majority vote of the Kirkland City Council in open
53 meeting this ____ day of _____, 2015.

54
55 Signed in authentication thereof this ____ day of _____,
56 2015.

MAYOR

Attest:

City Clerk

DRAFT TEMPORARY LICENSE AGREEMENT

Grantor: City of Kirkland

Grantee: KPP Development LLC

Legal description (abbreviated): Grantor Property: Portion of Government Lot 5 and portion of SE Quarter of SW Quarter Section 5, Township 25 North, Range 5 East, WM, King County (as described in Lot Consolidation, recording number 20010619001842)
(See Exhibit A for complete legal description)

Grantee Property: Lots 1 – 17, Block 174, Burke & Farrar's Kirkland Addition, Volume 33, Page 36; and portion of Southwest Quarter, Section 5, Township 25 North, Range 5 East, WM, King County (See Exhibit B for complete legal description)

Assessor's Tax Parcel #s: 052505-9029 (Grantor)
124870-0051 (Grantee)

TEMPORARY LICENSE AGREEMENT

THIS TEMPORARY LICENSE AGREEMENT ("Agreement"), is made and entered into this ___ day of _____, 2015, by and between the CITY OF KIRKLAND ("City"), a Washington municipal corporation, and KPP DEVELOPMENT LLC, a Delaware limited liability company (together with its successors and assigns, "KPP").

RECITALS

WHEREAS, the City owns the real property known as the Peter Kirk Park generally located at 406 Kirkland Avenue, Kirkland, Washington, legally described in Exhibit A attached hereto ("City Property"); and

WHEREAS, KPP owns or controls approximately 11.07 acres of real property immediately east of and adjacent to the City Property known as the Parkplace Property and generally located at 457 Central Way, Kirkland, legally described in Exhibit B attached hereto ("Parkplace Property"); and

WHEREAS, KPP intends to develop the Parkplace Property as a mixed use development (the "Project") in accordance with the Development Agreement dated August 24, 2015 between the City and KPP recorded at King County Recording Number 20150827000785; and

WHEREAS, in connection with KPP's construction of the Project, the City has agreed to grant to KPP a temporary license over, under, across, through and upon a portion of the City Property for the purposes of access to Central Way and construction activities, upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Consideration. There shall be no monetary consideration for the City's grant of the Licenses herein. The consideration for the City's grant of the Licenses shall be KPP's construction and installation of pedestrian pathways, landscaping and other improvements ("Park Improvements") within that portion of the City Property legally described in Exhibit C attached

hereto ("License Area") and as further described in Section 5 below. The Park Improvements are generally depicted in Exhibit D attached hereto.

3. Grant of Licenses

3.1 Temporary Roadway License. City hereby grants to KPP a temporary license over, across, through and upon that portion of the License Area legally described in Exhibit E attached hereto ("Roadway Area") and depicted in Exhibit D, for ingress and egress to and from the Parkplace Property and Central Way, for all vehicular and pedestrian access purposes necessary or desirable (a) for use and occupation of the QFC supermarket (and any successor businesses and uses) located on the Parkplace Property and (b) for KPP's construction of the Project, but shall not be permitted as an entrance or exit for truck hauling, point of access for regular material deliveries to the site or as a laydown or material storage area. Construction work may be permitted in the Roadway Area if the work is approved in writing by the City and is limited in scope.

3.2. Temporary Construction Access License. City hereby grants to KPP a temporary license over, under, across, through and upon the License Area for construction and maintenance activities in connection with the Project as described in this Subsection. The Temporary Construction Access License shall include the right by KPP, its successors, assigns, employees, agents and contractors to enter upon and use the License Area for the construction, installation, maintenance and repair of (a) a temporary roadway in the Roadway Area, (b) utilities for the Project and other neighboring properties ("Utilities"), as further described in Section 5 below and (c) the Park Improvements. The temporary roadway shall be constructed in accordance with design plans approved in writing by the City's Public Work Director or her designee.

4. City and Public's Use. The City may use the License Area for any purpose that does not interfere with the purposes of the Temporary Roadway License and the Temporary Construction Access License described above (collectively the "Licenses"); provided, however, that the City acknowledges and agrees that KPP shall have the right to close and physically block the License Area from the City's and/or public's use from time to time. Prior to any closure of the License Area from the City's and/or public's use, notification and plans for the same shall be submitted, in writing, to the City, at the address provided in Section 11.11 below. No closure of access shall occur without the Kirkland Fire Department's prior written approval which shall not be unreasonably withheld: Provided, that in the event of an emergency or for safety requiring immediate by KPP for the protection of its facilities or other persons or property, KPP shall have the right to close and physically block the License Area for such time and upon such notice to the City as is reasonable under the circumstances.

5. Park Improvements; Utilities. KPP shall install and construct the Park Improvements and the Utilities on or before the Termination Date (as defined in Section 8 below) substantially in accordance with Exhibit D. The design of the Park Improvements and the Utilities shall be approved through the permitting process for which KPP shall have the right to secure permits

from City of Kirkland for the installation and construction of the Park Improvements and the Utilities on the City Property. If the City requests, KPP shall provide assurance of performance satisfactory to the City prior to KPP's commencement of the Park Improvements. Upon completion of the Park Improvements, KPP shall dedicate to the City, and the City shall accept, the Park Improvements and the Utilities constructed on the City Property. Until such time as the Park Improvements and the Utilities are dedicated to the City, KPP shall maintain all improvements constructed by KPP in the License Area in good and safe condition, at KPP's sole expense.

6. Restoration; Use; Liens

6.1 KPP will be solely responsible for repair and remediation of any damage to the City Property, including any improvements thereon, caused by KPP's exercise of its rights under this Agreement.

6.2 In no event shall KPP's use of the License Area and activities associated with its construction activities cause any material disruption in the use by City and the public on that portion of the City Property that lies outside the License Area.

6.3 KPP shall use good faith efforts to perform all construction on the City Property diligently and continuously to completion in a safe and workmanlike manner.

6.4 KPP shall keep the City Property free and clear of all liens, charges, and other monetary encumbrances arising out of the use of the License Area that may be claimed or asserted by any third party. KPP agrees to hold the City harmless for any loss or expense, including reasonable attorneys' fees and costs, arising from any such liens which might be filed against the City Property.

6.5 Upon completion of the construction of the Utilities, KPP shall restore the area above the Utilities to a condition which will permit the public to use and enjoy the area. The restoration shall include the reestablishment of grass and construction of temporary paths to be used until the final restoration described in Subsection 6.6.

6.6 Upon termination or revocation of this Agreement in any manner provided in this Agreement, KPP at its own cost and expense, shall abandon its use of the License Area, remove the temporary roadway in the Roadway Area and restore the License Area, including the Roadway Area, to like or better condition than it was prior to the construction of the temporary roadway in the Roadway Area.

6.7 If the City requests, KPP shall provide assurance of performance satisfactory to the City for the cost of repair, remediation and restoration of the City Property.

7. Compliance with Laws. KPP shall comply with all applicable laws and codes in connection with its activities performed under this Agreement and its use of the License Area and shall obtain all necessary permits and approvals for all such work at KPP's expense.

8. Term. KPP's rights with respect to the Licenses shall terminate on June 30, 2018 ("Termination Date"). If KPP has not abandoned the use of the License Area, removed the temporary roadway from the Roadway Area and restored the Roadway Area and License Area as described in Section 6 by the Termination Date, KPP shall pay the City an amount equal to 300 percent of the per day appraised value as established by the Valbridge Property Advisors Appraisal Report as of November 20, 2015, which equates to \$294 per day, until KPP has fully vacated and restored the License Area and Roadway Area..

9. Assignment. The Licenses and all rights and obligations of KPP in this Agreement are not assignable without the prior written consent of the City to the proposed assignment, which consent shall not be unreasonably withheld.

10. Insurance. During the term of this Agreement, KPP and the Permitted Assignees shall, at its or their own expense, maintain on file with the City prior to exercising any rights under this Agreement currently effective and satisfactory certification of primary Comprehensive General Liability insurance with limits of liability incident to KPP's exercise of rights under this Agreement of not less than \$1,000,000 each occurrence, \$2,000,000 general aggregate. Such policy must specifically include "the City of Kirkland" as an additional insured for primary and non-contributory limits of liability incident to KPP's exercise of rights under this Agreement.

11. General Provisions

11.1 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

11.2 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the rest of the Agreement shall be enforced without the invalid or the unenforceable provision.

11.3 Authority. Each party respectively represents and warrants that it has the power and authority and is duly authorized to enter into this Agreement on the terms and conditions herein stated, and to deliver and perform its obligations under this Agreement.

11.4 Exhibits Incorporated. Exhibits A, B, C, D and E are incorporated herein by this reference as if fully set forth.

11.5 Headings. The headings in this Agreement are inserted for reference only and shall not be construed to expand, limit or otherwise modify the terms and conditions of this Agreement.

If to KPP: KPP Development LLC
c/o CBRE, Inc.
1420 Fifth Avenue, Suite 1700
Seattle, WA 98101

With copies to: Prudential Real Estate Investors
4 Embarcadero Center, Suite 2700
San Francisco, CA 94111
Attention: Prisa II Asset Manager

Talon Private Capital
720 Olive Way, Suite 1020
Seattle, WA 98101
Attention: Kirkland Urban Asset Manager

Notice by hand delivery or facsimile shall be effective upon receipt, provided that notice by facsimile shall be accompanied by mailed notice as set forth herein and shall be evidenced by a printed confirmation of receipt. If sent by overnight courier, notice shall be deemed delivered on the next business day after deposited with the courier. If deposited in the mail, certified mail, return receipt requested, notice shall be deemed delivered forty-eight (48) hours after deposited. Any party at any time by notice to the other party may designate a different address or person to which such notice or communication shall be given.

11.13 Delays. If either party is delayed in the performance of its obligations under this Agreement due to Force Majeure, then performance of those obligations shall be excused for the period of delay. For purposes of this Agreement, economic downturns, loss in value of KPP assets, inability to obtain or retain financing, do not constitute a force majeure event.

11.14 Indemnification and Release. KPP shall protect, defend, indemnify and hold harmless the City, its officers, officials, employees and volunteers from and against any and all claims, actions, suits or liabilities for injury or death of any person, or for loss or damage to property, which arises directly or indirectly on account of or out of acts or omissions of KPP or KPP's servants, agents, employees and contractors in the exercise of its rights under this Agreement; except for injuries or damages caused by the sole negligence of the City. This indemnity with respect to claims during the term of this Agreement shall survive the termination or revocation of this Agreement.

[INTENTIONAL PAGE BREAK]

11.15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one instrument.

Exhibits

- Exhibit A Legal Description of City Property
- Exhibit B Legal Description of Parkplace Property
- Exhibit C Legal Description of License Area
- Exhibit D Park Improvements
- Exhibit E Legal Description of Roadway Area

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective on the day and year set forth on the first page hereof.

CITY OF KIRKLAND, a Washington municipal corporation

By: _____

Print name: _____

Title: _____

KPP, LLC, a Delaware limited liability company

By: _____

Print name: _____

Title: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the _____ of THE CITY OF KIRKLAND, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2015.

Notary Public for the State of Washington
residing at _____
Print name: _____
Commission expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that (s)he signed this instrument, on oath stated that (s)he was authorized to execute the instrument and acknowledged it as the _____ of KPP DEVELOPMENT LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, 2015.

Notary Public for the State of Washington
residing at _____
Print name: _____
Commission expires: _____

EXHIBIT A

CITY PROPERTY
LEGAL DESCRIPTION

THAT PORTION OF GOVERNMENT LOT 5 AND OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT DISTANT NORTH 89°39'00" EAST ALONG THE SOUTH LINE OF SAID SECTION 1511.50 FEET AND NORTH 00°21'00" WEST 30 FEET FROM THE MEANDER CORNER COMMON TO SECTIONS 5 AND 8 OF SAID TOWNSHIP AND RANGE;

THENCE SOUTH 89°39'00" WEST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 721.50 FEET;

THENCE NORTH 00°21'00" WEST A DISTANCE OF 623.14 FEET, MORE OR LESS, TO THE SOUTHERLY LINE OF CENTRAL AVENUE IN KIRKLAND TERRACE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 21 OF PLATS, PAGE 42, IN KING COUNTY, WASHINGTON (FORMERLY LAKE AVENUE IN THE PLAT OF THE TOWN OF KIRKLAND ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 6 OF PLATS, PAGE 53, IN KING COUNTY, WASHINGTON);

THENCE NORTH 70°04'15" EAST ALONG THE SOUTHERLY LINE OF SAID CENTRAL AVENUE A DISTANCE OF 141.12 FEET TO AN ANGLE POINT IN SAID SOUTHERLY LINE;

THENCE NORTH 63°26'15" EAST ALONG SAID SOUTHERLY LINE A DISTANCE OF 656.01 FEET, MORE OR LESS, TO A POINT WHICH BEARS NORTH 00°21'00" WEST FROM THE POINT OF BEGINNING;

THENCE SOUTH 00°21'00" EAST A DISTANCE OF 960.20 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF KIRKLAND WAY (ALSO KNOWN AS KIRKLAND AVENUE), AS IT EXISTED ON MAY 7, 1980.

(SAID LEGAL DESCRIPTION IS SET FORTH IN LOT CONSOLIDATION RECORDED AT KING COUNTY RECORDING NUMBER 20010619001842.)

EXHIBIT B

PARKPLACE PROPERTY
LEGAL DESCRIPTION

PARCEL A:

LOTS 1 THROUGH 17, INCLUSIVE, IN BLOCK 174 OF BURKE AND FARRAR'S KIRKLAND ADDITION TO THE CITY OF SEATTLE DIVISION 39, AS PER PLAT RECORDED IN VOLUME 33 OF PLATS, PAGE 36, RECORDS OF KING COUNTY, WASHINGTON;

AND THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION;

THENCE SOUTH 89°39'00" WEST ALONG THE SOUTHERLY LINE OF SAID SUBDIVISION, A DISTANCE OF 708.00 FEET;
THENCE NORTH 00°21'00" WEST A DISTANCE OF 317.71 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89°46'25" WEST A DISTANCE OF 2.87 FEET;
THENCE SOUTH 89°34'30" WEST A DISTANCE OF 166.54 FEET;
THENCE NORTH 00°25'30" WEST A DISTANCE OF 0.58 FEET;
THENCE SOUTH 89°46'25" WEST A DISTANCE OF 160.59 FEET;
THENCE NORTH 00°21'00" WEST A DISTANCE OF 488.34 FEET;
THENCE SOUTH 63°26'15" WEST A DISTANCE OF 0.72 FEET;
THENCE NORTH 00°21'00" WEST A DISTANCE OF 184.39 FEET TO THE SOUTHERLY MARGIN OF CENTRAL WAY AND A POINT THAT BEARS NORTH 89°39'00" EAST A DISTANCE OF 1,511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21'00" WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RANGE 5 EAST W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE NORTH 63°26'15" EAST ALONG SAID MARGIN A DISTANCE OF 60 FEET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 174, OF SAID AFOREMENTIONED PLAT;
THENCE SOUTH 00°21'00" EAST ALONG SAID LOT 1, A DISTANCE OF 183.91 FEET TO THE SOUTHWEST CORNER OF LOT 1;
THENCE NORTH 63°26'15" EAST ALONG THE SOUTHERLY LINE OF LOT 1, LOT 2 AND LOT 3, TO THE SOUTHEAST CORNER OF LOT 3 AND ITS INTERSECTION WITH THE WEST LINE OF LOT 4, A DISTANCE OF 161.48 FEET;
THENCE SOUTH 00°21'00" EAST ALONG THE WEST LINE OF LOT 4, A DISTANCE OF 194.10 FEET TO THE SOUTHWEST CORNER OF LOT 4;
THENCE NORTH 89°39'00" EAST ALONG THE SOUTHERLY LINE OF LOT 4 AND LOT 5, A DISTANCE OF 132.00 FEET TO A POINT IN LOT 5 THAT BEARS NORTH

00°21'00" WEST FROM THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00°21'00" EAST A DISTANCE OF 392.43 FEET TO THE TRUE POINT
OF BEGINNING;

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR PEDESTRIAN INGRESS AND EGRESS
AS GRANTED BY INSTRUMENT RECORDED JULY 20, 1990, UNDER
RECORDING NO. 9007200568, IN KING COUNTY, WASHINGTON.

PARCEL C:

AN EASEMENT FOR INGRESS, EGRESS AND PARKING AS GRANTED IN THAT
CERTAIN "GRANT OF MUTUAL EASEMENTS" RECORDED JUNE 27, 1985 UNDER
RECORDING NO. 8506270132, AS MODIFIED BY AWARD ON ARBITRATION
FILED OCTOBER 30, 1990, IN KING COUNTY SUPERIOR COURT CAUSE NO. 90-2-
02367-2 AND AMENDMENT RECORDED MARCH 22, 1996 UNDER RECORDING
NO. 9603220640, IN KING COUNTY, WASHINGTON.

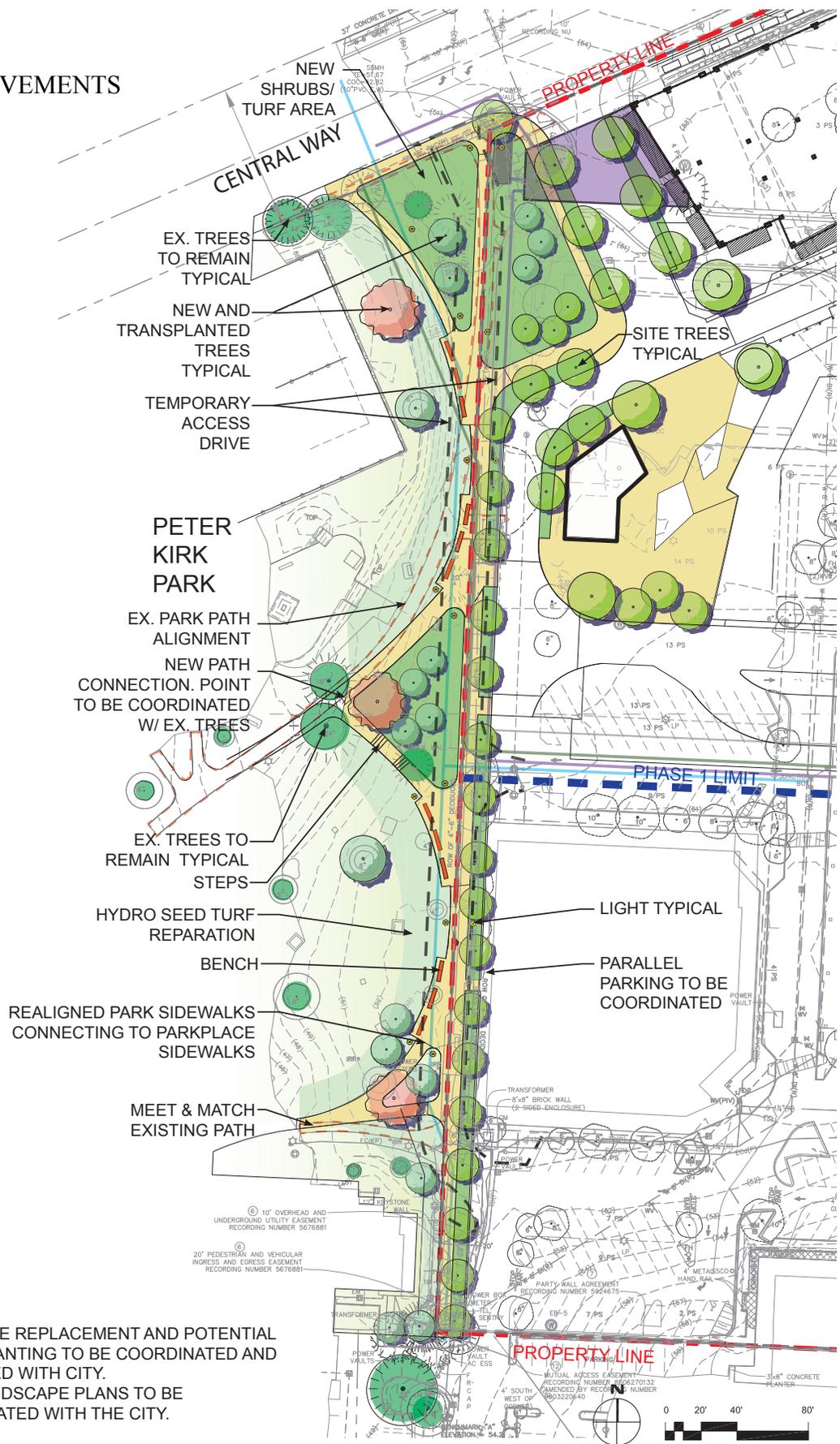
EXHIBIT C

LICENSE AREA
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT BEARS NORTH 89°39'00" EAST A DISTANCE OF 1511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21'00" WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RANGE 5 EAST, W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE SOUTH 00°21'00" EAST 184.32 FEET;
THENCE NORTH 63°26'15" EAST 0.72 FEET;
THENCE SOUTH 00°21'00" EAST 419.23 FEET;
THENCE NORTH 22°50'31" WEST 45.63 FEET;
THENCE NORTH 00°20'31" WEST 317.28 FEET;
THENCE NORTH 67°05'19" WEST 6.95 FEET;
THENCE NORTH 00°24'18" WEST 96.82 FEET;
THENCE NORTH 25°19'30" WEST 119.20 FEET, TO SAID MARGIN;
THENCE NORTH 63°27'48" EAST, ALONG SAID MARGIN, 81.98 FEET, TO THE POINT OF BEGINNING.

**EXHIBIT D
PARK IMPROVEMENTS**



- NOTE:**
1. PARK TREE REPLACEMENT AND POTENTIAL TRANSPLANTING TO BE COORDINATED AND PERMITTED WITH CITY.
 2. FINAL LANDSCAPE PLANS TO BE COORDINATED WITH THE CITY.

**KIRKLAND PARKPLACE | UTILITY RE-ROUTE AND TEMPORARY ACCESS DRIVE
LANDSCAPE PRELIMINARY CONCEPT DIAGRAM AT PETER KIRK PARK**

EXHIBIT E

ROADWAY AREA
LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 25 NORTH, RAGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT BEARS NORTH 89°39'00" EAST A DISTANCE OF 1511.50 FEET ALONG THE SECTION LINE AND NORTH 00°21'00" WEST A DISTANCE OF 990.20 FEET FROM THE CORNER OF FRACTIONAL SECTIONS 5 AND 8, TOWNSHIP 25 NORTH, RAGE 5 EAST, W.M., SAID POINT BEING ON THE SOUTHERLY MARGIN OF CENTRAL WAY;
THENCE SOUTH 00°21'00" EAST 184.32 FEET;
THENCE NORTH 63°26'15" EAST 0.72 FEET;
THENCE SOUTH 00°21'00" EAST 405.14 FEET, TO A POINT ON A CURVE TO THE RIGHT HAVING A RADIUS OF 50.00 FEET, THE CENTER OF WHICH BEARS NORTH 43°17'31" EAST;
THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 46°18'12", AN ARC DISTANCE OF 40.41 FEET, TO A POINT OF TANGENCY;
THENCE NORTH 00°24'18" WEST 503.76 FEET, TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 24.50 FEET;
THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 26°07'54", AN ARC DISTANCE OF 11.17 FEET, TO A POINT OF TANGENCY;
THENCE NORTH 26°32'12" WEST 26.64 FEET, TO SAID MARGIN;
THENCE NORTH 63°27'48" EAST, ALONG SAID MARGIN, 32.99 FEET, TO THE POINT OF BEGINNING.