



CITY OF KIRKLAND
Planning and Community Development Department
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MEMORANDUM

Date: February 23, 2006

To: David Ramsay, City Manager

From: Paul Stewart, AICP, Deputy Planning Director
Stacy Clauson, Associate Planner

Subject: 118TH AVENUE NE RIGHT-OF-WAY VACATION, FILE NO. VAC05-00003

RECOMMENDATION:

The Department of Planning and Community Development recommends that City Council continue the Public Hearing to a date to be determined at the March 7th City Council meeting.

BACKGROUND DISCUSSION:

LMJ Enterprises Limited Partnership has filed a petition to vacate an 18,128 square foot portion of 118th Avenue NE. The Public Hearing on the proposed street vacation commenced on January 3, 2006. At the public hearing, staff provided information to the City Council about concerns that had been expressed by the applicant about the valuation of the property, based on recent appraisals completed on contiguous LMJ Properties. In an effort to resolve these differences, Garrett Waldner of Washington Appraisal Services, Inc., who completed the appraisal for the street vacation, and the applicant's appraiser, Kirby Smith, MAI, of Kirby Smith and Associates, Inc., discussed the appraisals, but were unable to resolve their differences. Staff noted that Garrett Waldner of Washington Appraisal Service, Inc. continued to support a fair market value of \$30 per square foot and that the compensation information contained in the Resolution of Intent to Vacate presented to City Council was based on this recommended valuation.

At the Public Hearing, Tod Johnson, the representative of the applicant, provided both written and oral testimony addressing the valuation, requesting that the City Council approve the vacation with a modified valuation or alternatively, allow additional review of the appraisal work.

At the conclusion of the public testimony and Council discussion of the street vacation, staff recommended that the public hearing be continued to allow for additional review of the appraisals to be completed. City Council continued the Public Hearing to the February 7, 2006 meeting and directed staff to complete additional review of the appraisal work.

Staff and the applicant have come to agreement on a process to be used for review of the appraisal work. A third-party review appraiser will be retained to evaluate the comparables used and the assumptions made in the existing appraisals and provide an opinion on the per square foot value of the property to be vacated. In response to a request by staff, City Council continued the Public Hearing to the March 7, 2006 meeting to allow time for this work to be completed.

In the interim, staff and the applicant have selected a review appraiser, Chuck Munson of CJM Investment Property Advisors. Staff has met with Mr. Munson, who has advised that the current appraisal completed by Kirby Smith, MAI, of Kirby Smith and Associates, Inc. does not work for the purposes of doing a review assessment since it does not appraise the property proposed to be vacated. Mr. Munson has noted that for a review appraisal to be completed, the existing appraisals need to be of the same property.

Staff will be discussing this situation with the applicant and will have additional information available for City Council at the March 7th hearing date.