



PUBLIC WORKS

MEMORANDUM

TO: City Council Members, City Administration

FROM: Brian Jones, LID Administrator

DATE: December 21, 1995

SUBJECT: Staff Report for LID No. 732-A Confirmation Hearing, January 3, 1996;
Evergreen Way, SR 526 to Madison Street

The attached staff report is intended to help Council and Administration prepare for the final assessment confirmation hearing for LID No. 732-A, which is scheduled for Wednesday, January 3, 1996. Because the report is fairly voluminous, we will not circulate copies of it in the agenda packets for the January 3 meeting. Instead, we will include an agenda item cover sheet in the packets inviting those interested to review copies of the report on file in the Council Office.

Please feel free to call me at 259-8922 if you have any questions about the report or the confirmation hearing. Thank you.

cc: Larry Crawford, Engineering and Public Services Director

732asrag.doc



**STAFF REPORT: CONFIRMATION HEARING FOR LOCAL IMPROVEMENT DISTRICT
(LID) NO. 732A, EVERGREEN WAY IMPROVEMENTS, SR 526 TO MADISON STREET
DECEMBER, 1995**

General Information

A map of the boundaries of Local Improvement District (LID) No. 732A is attached as Exhibit A. (The affected property owners requested a material change in the scope of improvements proposed under LID No. 732, which necessitated the formation of a new LID, LID No. 732A. The requested change was the addition of on-street parallel public parking where feasible and where property owners were using the unimproved public right of way for parking.) LID No. 732A covers an area of approximately 138 acres. The current zoning designations for the property within the LID are "B-2, Community Business;" "B-2 with Contract, Community Business with Concomitant Agreement;" and "C-1, General Commercial." The comprehensive plan designations for the property within the district are "2.1, Schools/Churches;" and "4.4, Mixed Use Commercial--Multifamily."

LID No. 732A was formed on February 22, 1995, for the purpose of effecting the construction of street improvements along Evergreen Way between SR 526 and Madison Street, excluding the east side of Evergreen between Ttereve and Madison. The project includes street widening to seven lanes, curbs, gutters, sidewalks, stormwater and signal improvements, landscaping, and some on-street public parallel parking. The assessments levied through the LID will supplement other federal, state, and local funds pledged to the improvement of this portion of Evergreen Way.

Project Cost

The estimate of total project cost given in the LID formation ordinance was \$1,998,000. The actual cost of the project is \$1,317,480, based on the construction contract amount. (The assessments under LID No. 732A are being confirmed prior to the completion of the project in order to save on interim financing costs.) The total LID assessment amount to be confirmed is \$316,630. The remaining \$1,000,850 will be covered by a combination of state and federal grants and developer mitigation funds.

Preliminary Assessments

The LID assessment total, \$316,630, has been apportioned among the property owners on the basis of a special benefit study conducted by Macaulay and Associates (see Exhibit B). As reflected in the study, the final assessments were calculated according to the following formula:

$$\frac{\text{Total Assessments}}{\text{Total Special Benefits (SBs)}} \times \text{Individual SBs} = \text{Individual Assessments}$$

By multiplying the individual special benefits by the ratio of total assessments to total special benefits, property owners are assured that (1) their individual assessments will be less than their special benefits, as the total special benefits must necessarily be greater than the total assessments; and (2) their assessments will be proportionate, or that like properties will be assessed in a like manner.

As indicated in the conclusion of the study, the cost/benefit ratio for LID No. 732A is approximately 37 percent, meaning that for every \$.37 the property owners collectively pay for the Evergreen Way improvements, their property increases \$1.00 in fair market value. A summarized list of the proposed final assessments is attached as Exhibit C.

Public Participation

The participants in the proposed LID have been rendered the due process ensured them by applicable state statutes. All those we are aware of with a vested interest in the subject properties (including mortgage companies, financial institutions, contract sellers and purchasers, etc.) have been duly notified of the hearing and meetings specifically related to the LID.

Staff recently held two public meetings on LID No. 732A, at which we discussed the special benefit study and proposed final assessments were discussed.

Recommendation

Public Works staff recommends that the city council conduct the confirmation hearing on January 3, 1996, and adopt the ordinance confirming the final assessments for the LID No. 732A.

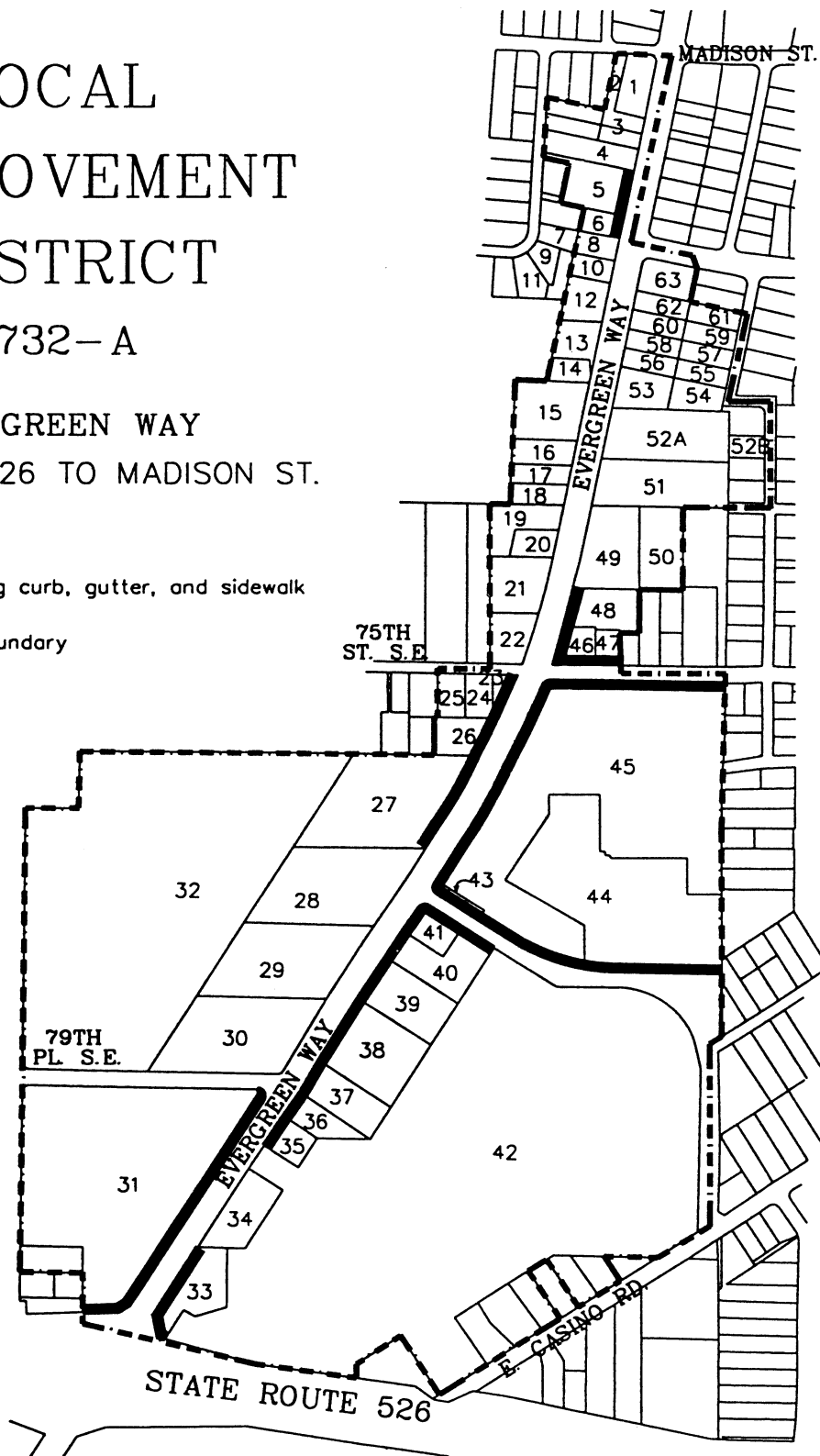
EXHIBIT A

LOCAL IMPROVEMENT DISTRICT

732-A

EVERGREEN WAY
FROM SR526 TO MADISON ST.

- Existing curb, gutter, and sidewalk
- - - LID Boundary



11/12/95
R. VAJ-CYRONG

EXHIBIT B

CITY OF EVERETT
Proposed Evergreen Way LID No. 732A
Everett, Washington

**SUMMARY OF SPECIAL
BENEFIT/PROPORTIONATE ASSESSMENT
STUDY---NARRATIVE DISCUSSION AND
TABULATION OF RECOMMENDED
FINAL ASSESSMENTS**

Prepared for:

Mr. Brian Jones, LID Administrator
City of Everett
Public Works Department
3200 Cedar Street
Everett, WA 98201

Date of Report:

November 15, 1995

Date of Valuation:

November 1995

Job # 95-115c

File: 95-115c.115

Prepared by:

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November 15, 1995

Mr. Brian Jones, LID Administrator

City of Everett

Public Works Department

3200 Cedar Street

Everett, WA 98201

RE: Proposed Evergreen Way LID No. 732A

Dear Mr. Jones:

Our special benefit/proportionate assessment study for the formation of the proposed Evergreen Way Local Improvement District (LID) has been completed. A personal inspection has been made of the parcels in the above-referenced LID project, together with a study of current market data, for the purpose of forming an opinion as to the special benefit and recommended assessment to each parcel.

Attached is a summary of the special benefit study, which utilizes limited assignment appraisal techniques and is presented in an abridged format. Effective date for this study is November 1995. Based on our research, market analysis, and subject to the accompanying assumptions and limiting conditions, the LID has an assessment/special benefit ratio of 37%* and is feasible.

Following the "Summary of Facts and Conclusions" is a tabulation of recommended assessments to each parcel based on the 37% assessment/benefit ratio. Following are the primary findings resulting from this limited assignment appraisal, subject to the accompanying assumptions and limiting conditions:

| | |
|---|-------------------------|
| Total Estimated Market Value With Proposed LID | (R) \$68,868,000 |
| Total Estimated Market Value Without Proposed LID | (R) <u>\$68,012,000</u> |
| Difference (Estimated Final Special Benefit) | (R) \$856,000 |

*Estimated portion of the total \$1,317,480 estimated project cost to be funded by the LID is \$316,630 divided by total special benefit of \$856,000 = 37%.

Mr. Brian Jones, LID Administrator
City of Everett
November 15, 1995
Page 2

Additional narrative descriptions and tabulations concerning subject parcels, comparable market data and market value are retained in our files. If you have any questions or desire further clarification, feel free to call.

Respectfully submitted,
MACAULAY & ASSOCIATES, LTD.



Robert J. Macaulay, MAI
WA State Certified - General Appraiser No. 270-11 MA-CA-UR-J408PS



Paul C. Bird, CPA, Associate Appraiser
WA State Certified - General Appraiser No. 270-11 BI-RD-*P-C406RZ

RJM/PCB:slt

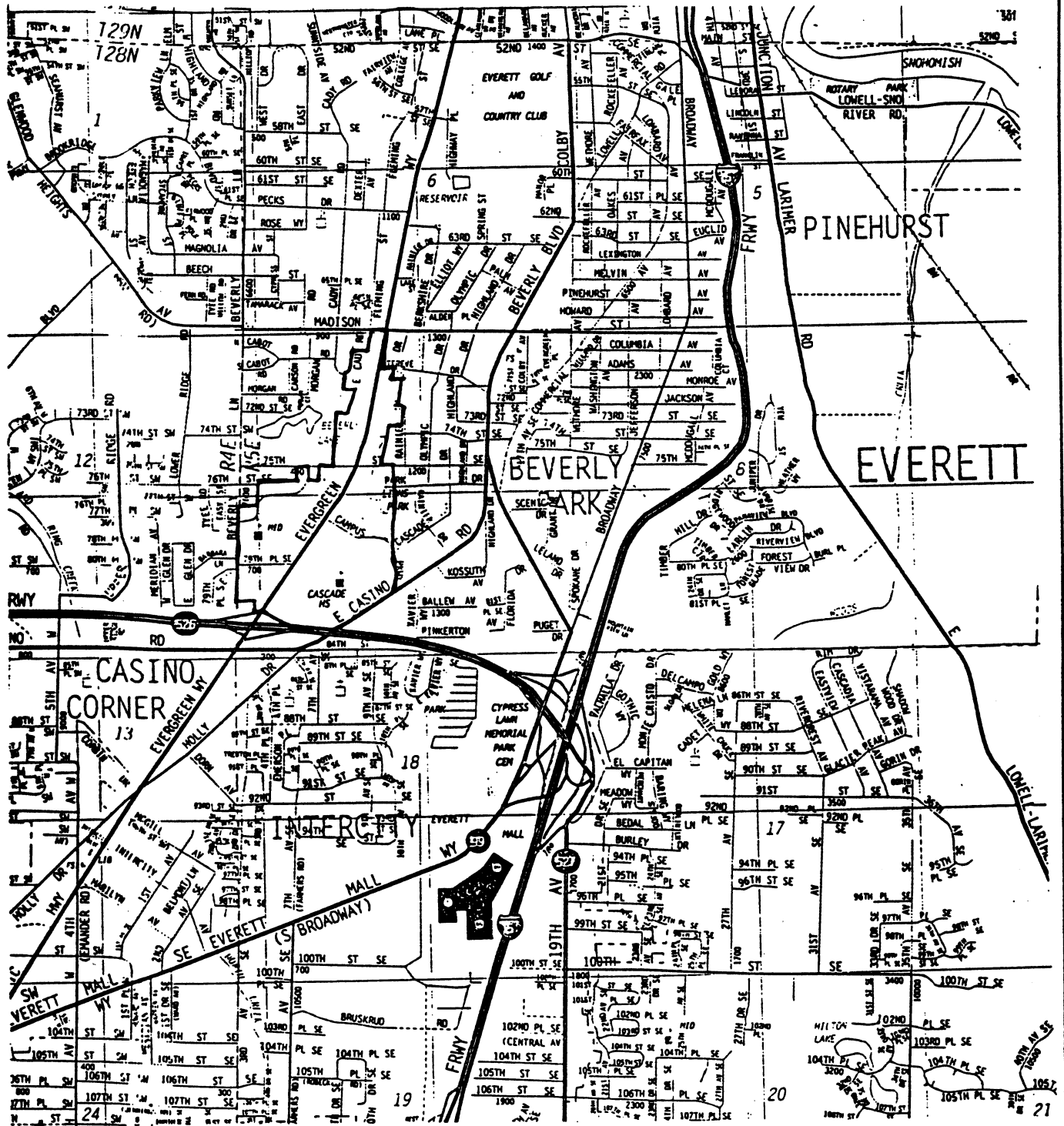
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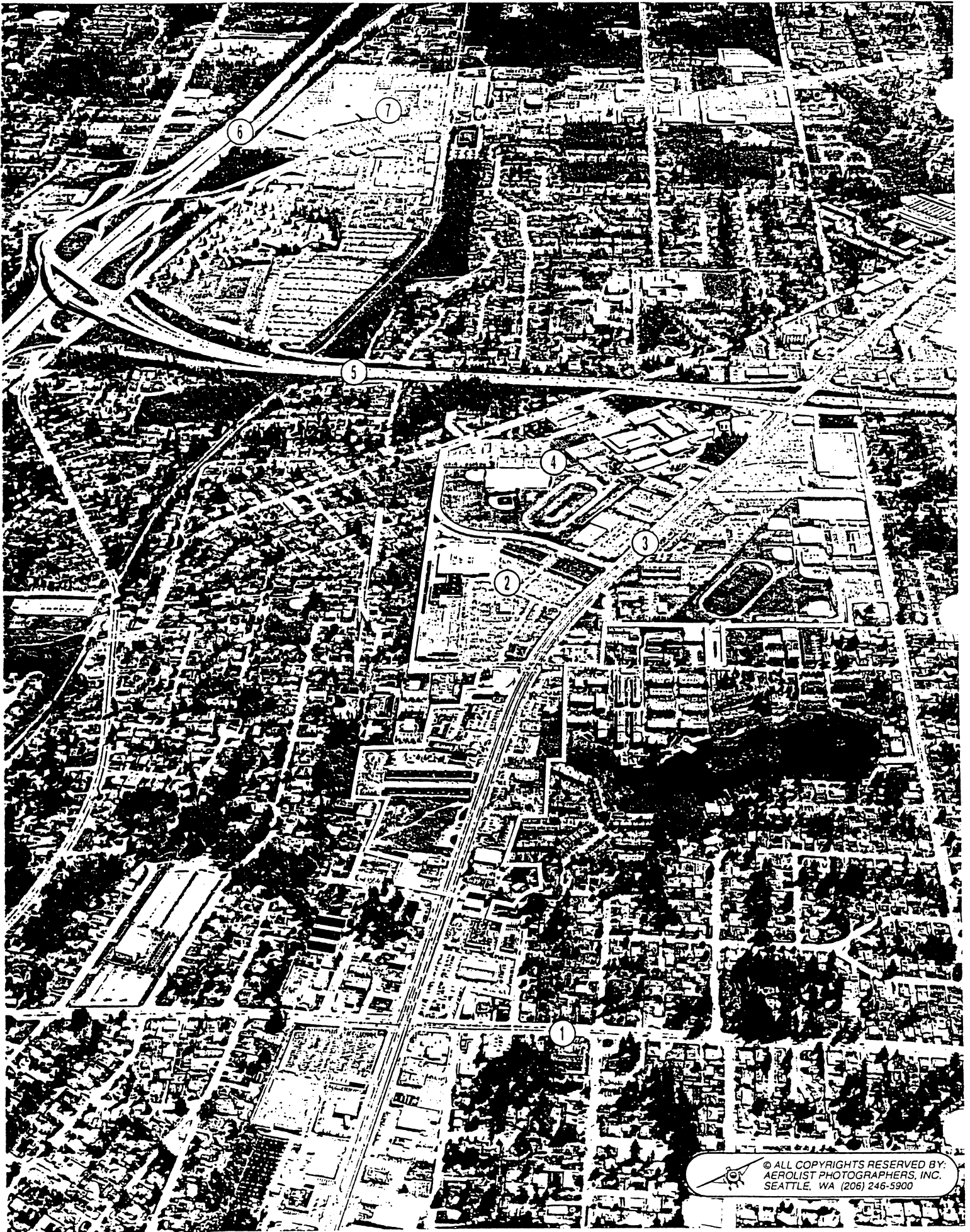
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Summary of Facts and Conclusions

Proposed LID Boundary:

As shown on the aerial photograph and LID boundary map on page 30, the subject LID area consists of parcels fronting on Evergreen Way from Madison Street and Tereve Drive south to State Route 526 (SR 526) and E. Casino Road (Beverly Boulevard).

Project Description:

The proposed improvements consist of (1) expansion of Evergreen Way to an 82' wide pavement section striped for seven lanes (in addition to the two northbound, two southbound and center left turn lanes, a combination acceleration/deceleration, right turn and parking lanes will be added in both directions); (2) installation of 1.5'-wide curb and gutter section; (3) construction of 5'-wide pedestrian walkways; and (4) installation of a 2.5'-wide landscaped right-of-way section between the sidewalk areas and the boundaries of adjacent private ownerships. Total cost of the project is \$1,317,480, of which \$316,630 will be funded by property owners within the LID.

Neighborhood Description:

The subject area along Evergreen Way consists of commercial, office and institutional uses with a majority of retail and service oriented businesses. Four pockets of land on the east side of Evergreen Way and totalling approximately 193,000 SF remain vacant and unimproved. Surrounding land uses include multi-family and single family dwellings.

Land Area:

Total land area of parcels within the LID boundary is 5,993,577 SF or 137.59 acres, according to Snohomish County records.

Individual Parcel Sizes:

Tracts considered herein as "parcels" vary in size from 7,200 SF to 1,604,315 SF (36.83 acres).

Land Use Regulations:

Current land use regulations with and without the LID are B-2 (Community Business), C-1 (General Commercial), R-3 (Multi-family), R1-7000 (Single Family) and B-1 (Neighborhood Shopping).

Valuation Conclusions:

The spreadsheet on the following pages presents pertinent tabulated data on the affected parcels, each of which has been assigned a "map number". These map numbers represent individual tax lots and correspond to the LID boundary map on page 30 .

Estimated Market Value:

| | |
|---|-------------------------|
| With Proposed LID | (R) \$68,868,000 |
| Without Proposed LID | (R) <u>\$68,012,000</u> |
| Difference (Est. Final Special Benefit) | (R) \$856,000 |

CITY OF EVERETT
Evergreen Way LID No. 732A
Final Special Benefit Study Tabulation
Valuation as of November 1995

| Map No. | Ownership | Tax Account Number | Land Area (SF) | Special Benefit | Assessment Per Parcel |
|---------|----------------------------|--------------------|----------------|-----------------|-----------------------|
| 1 | Rodland Toyota Inc. | 072805-2-001-0001 | 18,950 | \$4,737 | \$1,754 |
| 2 | Rodland Toyota Inc. | 072805-2-002-0000 | 7,531 | \$1,883 | \$697 |
| 3 | Rodland Toyota Inc. | 3933-000-001-0005 | 38,400 | \$5,760 | \$2,132 |
| 4 | Rodland Toyota Inc. | 072805-2-010-0000 | 27,443 | \$4,116 | \$1,524 |
| 5 | Olson, Judith E. | 072805-2-011-0009 | 40,946 | \$4,095 | \$1,516 |
| 6 | Olson, Judith E. | 072805-2-013-0007 | 13,504 | \$4,051 | \$1,500 |
| 7 | Barrow, John W. | 3933-000-130-0009 | 9,750 | \$488 | \$181 |
| 8 | Barrow, John W. | 3933-000-131-0008 | 12,000 | \$4,200 | \$1,555 |
| 9 | Thompson, Ronald E. | 3933-000-129-0002 | 9,583 | \$479 | \$177 |
| 10 | Dutson, Richard E. | 3933-000-132-0007 | 12,000 | \$4,200 | \$1,555 |
| 11 | Thompson, Ronald E. | 3933-000-128-0003 | 13,939 | \$697 | \$258 |
| 12 | Thompson, Ronald E. | 3933-000-133-0006 | 34,412 | \$6,882 | \$2,548 |
| 13 | Evergreen Sportscar | 072805-2-016-0004 | 21,780 | \$8,712 | \$3,225 |
| 14 | Evergreen Sportscar | 072805-2-018-0002 | 8,276 | \$3,311 | \$1,226 |
| 15 | European Motor Car Ltd. | 072805-2-020-0008 | 51,836 | \$12,959 | \$4,798 |
| 16 | Kim, Kwon Ho | 072805-2-022-0006 | 19,602 | \$4,900 | \$1,814 |
| 17 | Skippers | 072805-2-023-0005 | 14,810 | \$3,702 | \$1,371 |
| 18 | Olson, Judith E. | 072805-2-024-0004 | 14,375 | \$3,594 | \$1,331 |
| 19 | Olson, Judith E. | 3937-001-004-0204 | 30,600 | \$7,650 | \$2,832 |
| 20 | Dravus Investments | 3937-001-004-0303 | 15,000 | \$4,500 | \$1,666 |
| 21 | Lee, Jack L. | 3937-001-005-0104 | 40,000 | \$14,000 | \$5,183 |
| 22 | McDonalds Corp. | 3937-001-005-0005 | 28,063 | \$14,031 | \$5,195 |
| 23 | First Interstate Bank | 3937-002-008-0109 | 7,200 | \$1,080 | \$400 |
| 24 | First Interstate Bank | 3937-002-009-0009 | 15,000 | \$2,250 | \$833 |
| 25 | First Interstate Bank | 3937-002-010-0006 | 15,000 | \$2,250 | \$833 |
| 26 | Neumann, Lyla | 3937-002-008-0208 | 28,000 | \$4,200 | \$1,555 |
| 27 | Snohomish Co. Physicians | 072805-3-002-0008 | 160,301 | \$32,060 | \$11,869 |
| 28 | Stuart Enterprises II | 072805-3-003-0007 | 132,422 | \$52,969 | \$19,610 |
| 29 | Revord, Clyde et al. | 072805-3-007-0003 | 125,017 | \$43,756 | \$16,199 |
| 30 | Revord, Clyde | 072805-3-006-0004 | 129,373 | \$64,687 | \$23,949 |
| 31 | Kmart Corporation | 072805-3-008-0028 | 488,520 | \$48,852 | \$18,086 |
| 32 | Everett School District | 072805-3-004-0006 | 1,049,796 | \$52,490 | \$19,433 |
| 33 | Halle-Von Voigtlander | 072805-3-020-0006 | 45,302 | \$4,531 | \$1,677 |
| 34 | Winde, Ross W. | 072805-3-013-0005 | 40,511 | \$22,281 | \$8,249 |
| 35 | Atlantic Richfield Co. | 072805-3-012-0006 | 17,424 | \$2,614 | \$968 |
| 36 | Atlantic Richfield Co. | 072805-3-015-0003 | 20,473 | \$3,071 | \$1,137 |
| 37 | US Restaurant Prop. MLP | 072805-3-066-0001 | 40,511 | \$6,077 | \$2,250 |
| 38 | General Mills Restaurants | 072805-3-010-0008 | 80,150 | \$8,015 | \$2,967 |
| 39 | Benezra, Leon et al | 072805-3-062-0005 | 54,014 | \$5,401 | \$2,000 |
| 40 | Rosellini, Albert D. | 072805-3-061-0006 | 50,530 | \$5,053 | \$1,871 |
| 41 | Rosellini, Albert D. | 072805-3-059-0000 | 20,038 | \$2,004 | \$742 |
| 42 | Everett School District #2 | 072805-3-011-0007 | 1,604,315 | \$80,216 | \$29,698 |
| 43 | Weborg, Harriett | 072805-3-068-0009 | 7,841 | \$392 | \$145 |

CITY OF EVERETT
Evergreen Way LID No. 732A
Final Special Benefit Study Tabulation
Valuation as of November 1995

| Map No. | Ownership | Tax Account Number | Land Area (SF) | Special Benefit | Assessment Per Parcel |
|---------------|----------------------------|--------------------|------------------|------------------|-----------------------|
| 44 | Mervyn's No. 187 | 072805-3-001-0009 | 235,224 | \$35,284 | \$13,063 |
| 45 | Cascade Plaza Ltd . | 072805-3-067-0000 | 603,742 | \$90,562 | \$33,528 |
| 46 | Koehler Family Partnership | 3937-001-004-0105 | 17,550 | \$1,755 | \$650 |
| 47 | Koehler Family Partnership | 3937-001-003-0205 | 11,050 | \$1,105 | \$409 |
| 48 | Koehler Family Partnership | 3937-001-003-0403 | 35,250 | \$3,525 | \$1,305 |
| 49 | Harrington Cheverolet | 3937-001-003-0304 | 57,000 | \$17,100 | \$6,331 |
| 50 | Harrington Cheverolet | 3937-001-002-0107 | 45,000 | \$13,500 | \$4,998 |
| 51 | Harrington Cheverolet | 072805-2-038-0008 | 77,972 | \$23,392 | \$8,660 |
| 52A | Duesenberg, William | 072805-2-037-0009 | 75,794 | \$26,528 | \$9,821 |
| 52B | Duesenberg, William | 3940-000-086-0004 | 49,280 | \$4,928 | \$1,824 |
| 53 | Age Investment Inc. | 3928-006-008-0002 | 26,030 | \$11,713 | \$4,336 |
| 54 | Age Investment Inc. | 3928-006-007-0003 | 18,450 | \$8,302 | \$3,074 |
| 55 | Age Investment Inc. | 3928-006-006-0004 | 9,100 | \$4,095 | \$1,516 |
| 56 | Age Investment Inc. | 3928-006-010-0008 | 13,300 | \$5,985 | \$2,216 |
| 57 | Age Investment Inc. | 3928-006-005-0005 | 12,600 | \$5,670 | \$2,099 |
| 58 | Age Investment Inc. | 3928-006-011-0007 | 13,300 | \$5,985 | \$2,216 |
| 59 | Age Investment Inc. | 3928-006-004-0006 | 12,600 | \$5,670 | \$2,099 |
| 60 | Age Investment Inc. | 3928-006-012-0006 | 13,300 | \$5,985 | \$2,216 |
| 61 | Age Investment Inc. | 3928-006-003-0007 | 12,600 | \$5,670 | \$2,099 |
| 62 | Age Investment Inc. | 3928-006-013-0005 | 13,300 | \$5,985 | \$2,216 |
| 63 | Key Trust Co. of the NW | 3928-006-014-0004 | <u>26,600</u> | <u>\$9,310</u> | <u>\$3,447</u> |
| Totals | | | 5,993,580 | \$855,245 | \$316,632 |
| | | | 137.59 acres | | |

| SUMMARY | |
|--|--------------|
| Total assessment | \$316,630 |
| Market value with LID | \$68,868,000 |
| Market value without LID | \$68,012,000 |
| Total special benefit | \$856,000 |
| Total assessment divided by total special benefit is | 0.370221 |
| Assessment/special benefit ratio | 37% |

