

**Appraisal of Real Property**

**Tilley Road Gravel Pit**

Vacant Land

13120 Tilley Road SW

Tumwater, Thurston County, Washington 98512

**Prepared For:**

Port of Tacoma

**Date of the Report:**

September 4, 2024

**Report Format:**

Appraisal Report

**IRR - Seattle**

File Number: 154-2024-0223



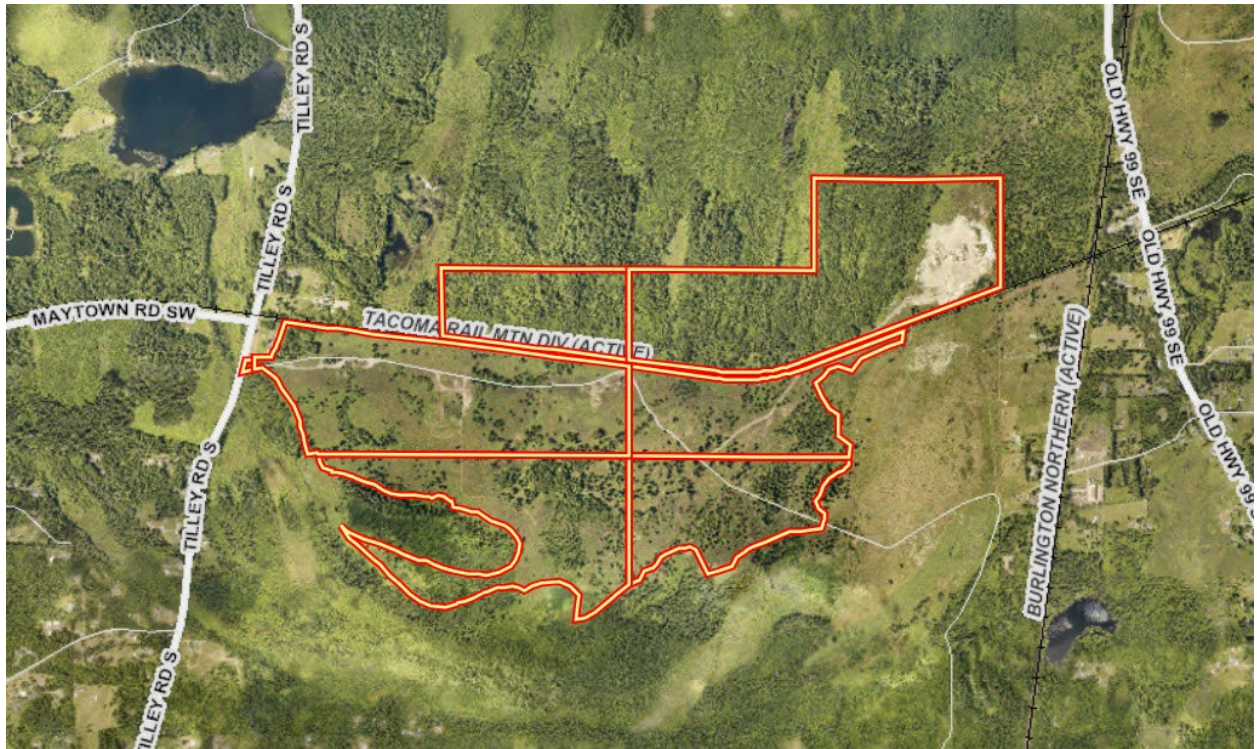
# Subject Photographs



**Tilley Road Gravel Pit**  
13120 Tilley Road SW  
Tumwater, Washington



# Aerial Photograph





September 4, 2024

Tyra Dieffenbach  
Project Manager  
Port of Tacoma  
One Sitcum Plaza  
Tacoma, WA 98421

SUBJECT:       Market Value Appraisal  
                  Tilley Road Gravel Pit  
                  13120 Tilley Road SW  
                  Tumwater, Thurston County, Washington 98512  
                  IRR - Seattle File No. 154-2024-0223

Dear Ms. Deiffenback:

Integra Realty Resources – Seattle is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to value the fee simple interest of the property for three different uses: gravel mining, industrial use, and residential use. Hypothetical conditions are required to be made to appraise the property for industrial and residential use. These hypothetical conditions impacted the assignment results.

The client for the assignment is Port of Tacoma. The intended user of this report is the client. intended use of the report is for property disposition purposes. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject consists of 746.56 acres or 32,520,154 square feet zoned R 1/20 (rural - one dwelling per 20 acres), which permits low density residential, agriculture, forestry, conservation, and associated uses that don't require urban services. Mining is allowed as a special use. The subject has a Thurston County Special Use Permit, Department of Natural Resources Surface Mine Reclamation Permit, and Department of Ecology Sand and Gravel Permit allowing for the reclamation of up to 20.6 million cubic yards over 20 years.



The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
	Interest Appraised	Date of Value	Value Conclusion
Market Value - Scenario 1: Gravel Mining	Fee Simple	June 25, 2024	\$20,000,000
Market Value - Scenario 2: Industrial Development	Fee Simple	June 25, 2024	\$32,500,000
Market Value - Scenario 3: Residential Development	Fee Simple	June 25, 2024	\$4,900,000

#### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Scenario 1 is based on the extraordinary assumption that the existing gravel mining Special Use Permit and all other associated permits are extended for another 20 years so that mining can commence as of January 1, 2025 and extend until December 31, 2044. It is assumed that the language and requirements of the permits will remain the same as the existing permits.

The value conclusions are based on the following hypothetical conditions. 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.

1. Scenario 2 is based on the hypothetical condition that 500 acres of the site is rezoned to allow for industrial use and the remainder of the site is used for wildlife habitat.
2. Scenario 3 is based on the hypothetical conditions that the the highest and best use as of the date of value is for residential development.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from

interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

**Integra Realty Resources - Seattle**



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# Quality Assurance

## IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

## Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

# Identification of the Appraisal Problem

## Subject Description

The subject consists of 746.56 acres or 32,520,154 square feet zoned R 1/20 (rural - one dwelling per 20 acres), which permits low density residential, agriculture, forestry, conservation, and associated uses that don't require urban services. Mining is allowed as a special use. The subject has a Thurston County Special Use Permit, Department of Natural Resources Surface Mine Reclamation Permit, and Department of Ecology Sand and Gravel Permit allowing for the reclamation of up to 20.6 million cubic yards over 20 years. A legal description of the property is provided in the addenda.

Property Identification	
Property Name	Tilley Road Gravel Pit
Address	13120 Tilley Road SW Tumwater, Washington 98512
Tax ID	12602340100
Owner of Record	Port of Tacoma

## Sale History

The subject was purchased by the Port of Tacoma in 2006 for \$21,250,0000 as part of an Interlocal Agreement (ILA) with the City of Olympia to jointly develop regional rail and industrial facilities. The Port invested over \$1 million to conduct environmental cleanup, remove invasive species, demolish unsafe structures, and perform groundwater monitoring. The Port also vested and retained the right to mine the property through the now existing gravel mining Special Use Permit, as well as other necessary permits and approvals from the various interested agencies.

In April 2008, the Thurston County Board of County Commissioners enacted a moratorium on industrial development in the RRI zoning district while it considered a third-party rezone application for the subject from the Friends of Rocky Prairie.

On June 30, 2008, both Port Commissions decided to allow the ILA to expire due to the moratorium and the slowing economy. The Port of Tacoma then began marketing the property to sell as a gravel mine. In July 2010, the Board of County Commissioners downzoning the entirety of the property to RR 1/20, the current zoning.

In April 2010, the Port of Tacoma requested to commence mining under the 2005 Special Use Permit and entered into a real estate contract with Maytown Sand & Gravel. Under the contract, the Port of Tacoma retained ownership interests in the property and the mining permits. Following the request to commence mining, a series of land use appeals and tort litigation over the delays caused by Thurston County commencement was delayed nearly two years. Due to the delay and the litigation costs, Maytown Sand & Gravel defaulted on the real estate contract and the property reverted to the Port of Tacoma in October 2013.

Since resuming ownership of the property in October 2013, the Port of Tacoma has retained the necessary permits for mining and has continued to actively list the property. In November 2018, NorthPoint Development submitted an offer and entered into a purchase and sale agreement with the Port of Tacoma. NorthPoint Development submitted a request to rezone the property in 2019 to allow for proposed warehouse development. In 2020 the Board of County Commissioners declined to add the NorthPoint application to the Comprehensive Plan Amendment docket in response to strong public opposition to the application. In February 2021, NorthPoint terminated the purchase and sale agreement. The Port of Tacoma is still seeking to dispossess the property.

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

### **Pending Transactions**

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

### **Appraisal Purpose**

The purpose of the appraisal is to develop the following opinion(s) value:

- Scenario 1: Continued use of the property as a gravel mine.
- Scenario 2: Hypothetical condition that the property is rezoned to support industrial use.
- Scenario 3: Hypothetical condition that the current highest and best use for the property is for residential development.

In all three scenarios the market value of the fee simple interest is appraised as of the effective date of the appraisal, June 25, 2024.

The date of the report is September 4, 2024. The appraisal is valid only as of the stated effective date or dates.

### **Value Type Definitions**

The definitions of the value types applicable to this assignment are summarized below.

#### **Market Value**

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;



4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

### Fee Simple Estate

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.<sup>2</sup>

## Client and Intended User(s)

The client and intended user is Port of Tacoma. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

## Intended Use

The intended use of the appraisal is for property disposition purposes. The appraisal is not intended for any other use.

## Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

## Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

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<sup>1</sup> Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

**Prior Services**

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

**Appraiser Competency**

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

# Scope of Work

## Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

## Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

## Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

## Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Lucy Jones	None	None
Lori E. Safer, MAI, AI-GRS	On-site	June 25, 2024
Matt Bacon, MAI	On-site	June 25, 2024



## Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The cost approach is not applicable to this assignment since there are no improvements that contribute value.

The sale comparison approach is use in all three Scenarios and is the most relevant approach for Scenarios 2 and 3. The sale comparison approach is suitable for land valuation and where there is an active market for similar properties and sufficient available data.

The income approach is used in Scenario 1 and is the primary approach that would be relied on by potential buyer of gravel mines. There is sufficient data regarding income, expenses, and rates of return to support this approach.

## Economic Analysis

### Thurston County Area Analysis

Thurston County is located in western Washington approximately 60 miles south of Seattle. It is 722 square miles in size and has a population density of 420 persons per square mile.

#### Population

Thurston County has an estimated 2024 population of 302,865, which represents an average annual 0.7% increase over the 2020 census of 294,793. Thurston County added an average of 2,018 residents per year over the 2020-2024 period, and its annual growth rate exceeded the State of Washington rate of 0.6%.

Looking forward, Thurston County's population is projected to increase at a 0.9% annual rate from 2024-2029, equivalent to the addition of an average of 2,717 residents per year. The Thurston County growth rate is expected to be similar to that of Washington.

Population Trends					
	Population			Compound Ann. % Chng	
	2020 Census	2024 Estimate	2029 Projection	2020 - 2024	2024 - 2029
98512	31,661	32,075	33,029	0.3%	0.6%
Thurston South CCD	43,379	43,934	45,215	0.3%	0.6%
Thurston County	294,793	302,865	316,448	0.7%	0.9%
Washington	7,705,281	7,904,137	8,246,208	0.6%	0.9%

Source: Claritas

#### Employment

Total employment in Thurston County was estimated at 128,317 jobs at year-end 2023. Between year-end 2013 and 2023, employment rose by 27,143 jobs, equivalent to a 26.8% increase over the entire period. There were gains in employment in nine out of the past ten years. Thurston County's rate of employment growth over the last decade surpassed that of Washington, which experienced an increase in employment of 20.7% or 616,244 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Thurston County unemployment rate has been generally higher than that of Washington, with an average unemployment rate of 5.6% in comparison to a 5.3% rate for Washington. A higher unemployment rate is a negative indicator.

Recent data shows that Thurston County has a 4.4% unemployment rate, which is the same as the rate for Washington.

<b>Employment Trends</b>						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Thurston County	% Change	Washington	% Change	Thurston County	Washington
2013	101,174		2,974,631		7.4%	6.7%
2014	105,317	4.1%	3,068,113	3.1%	6.3%	5.9%
2015	107,558	2.1%	3,139,385	2.3%	5.8%	5.4%
2016	111,845	4.0%	3,227,909	2.8%	5.6%	5.2%
2017	114,785	2.6%	3,303,711	2.3%	4.9%	4.7%
2018	117,616	2.5%	3,381,838	2.4%	4.8%	4.4%
2019	119,168	1.3%	3,455,788	2.2%	4.9%	4.2%
2020	112,997	-5.2%	3,222,649	-6.7%	8.2%	8.5%
2021	120,737	6.8%	3,432,059	6.5%	5.2%	5.2%
2022	126,056	4.4%	3,535,427	3.0%	4.4%	4.1%
2023	128,317	1.8%	3,590,875	1.6%	4.1%	4.1%
Overall Change 2013-2023	27,143	26.8%	616,244	20.7%		
Avg Unemp. Rate 2013-2023					5.6%	5.3%
Unemployment Rate - April 2024					4.4%	4.4%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Thurston County are shown in the following table.

<b>Major Employers - Thurston County</b>		
	Name	Number of Employees
1	State Government (inc. Edu)	30,344
2	Joint Base Lewis McChord*	5,275
3	Providence Health & Services	2,600
4	Albertsons/Safeway	1,200
5	Walmart	1,100
6	Lucky Eagle Casino	1,000
7	Nisqually Red Wind Casino	700
8	South Sound YMCA	550
9	Continuum Global Solutions	500
10	Fred Meyer	500

\* Only residents of Thurston County; JBLM straddles Thurston and Pierce Counties and pulls personnel from both.  
Source: Thurston Regional Planning Council, [www.trpc.org/393/Employment](http://www.trpc.org/393/Employment)

## Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in Thurston County than Washington overall during the past five years. Thurston County has grown at a 3.3% average annual rate while Washington has grown at a 4.0% rate. However, Thurston County has



recently performed better than Washington. GDP for Thurston County rose by 3.1% in 2022 while Washington's GDP rose by 1.6%.

Thurston County has a per capita GDP of \$50,809, which is 38% less than Washington's GDP of \$82,362. This means that Thurston County industries and employers are adding relatively less value to the economy than their counterparts in Washington.

<b>Gross Domestic Product</b>				
	(\$,000s)		(\$,000s)	
Year	Thurston County	% Change	Washington	% Change
2017	12,907,242	—	527,169,400	—
2018	13,734,622	6.4%	561,785,700	6.6%
2019	14,060,838	2.4%	588,930,400	4.8%
2020	13,747,480	-2.2%	590,401,000	0.2%
2021	14,725,118	7.1%	630,819,800	6.8%
2022	15,179,737	3.1%	641,143,600	1.6%
Compound % Chg (2017-2022)		3.3%		4.0%
GDP Per Capita 2022	\$50,809		\$82,362	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2023.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

### Income, Education and Age

Thurston County has a lower level of household income than Washington. Median household income for Thurston County is \$87,377, which is 5.9% less than the corresponding figure for Washington.

<b>Median Household Income - 2024</b>	
	Median
Thurston County	\$87,377
Washington	\$92,904
Comparison of Thurston County to Washington	- 5.9%

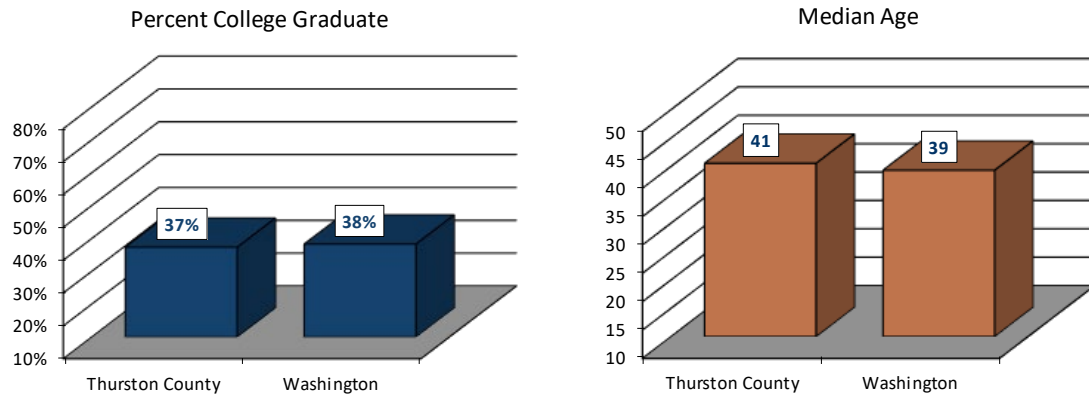
Source: Claritas

Residents of Thurston County have a slightly lower level of educational attainment than those of Washington. An estimated 37% of Thurston County residents are college graduates with four-year degrees, versus 38% of Washington residents. People in Thurston County are older than their Washington counterparts. The median age for Thurston County is 41 years, while the median age for Washington is 39 years.

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**Education & Age - 2024**

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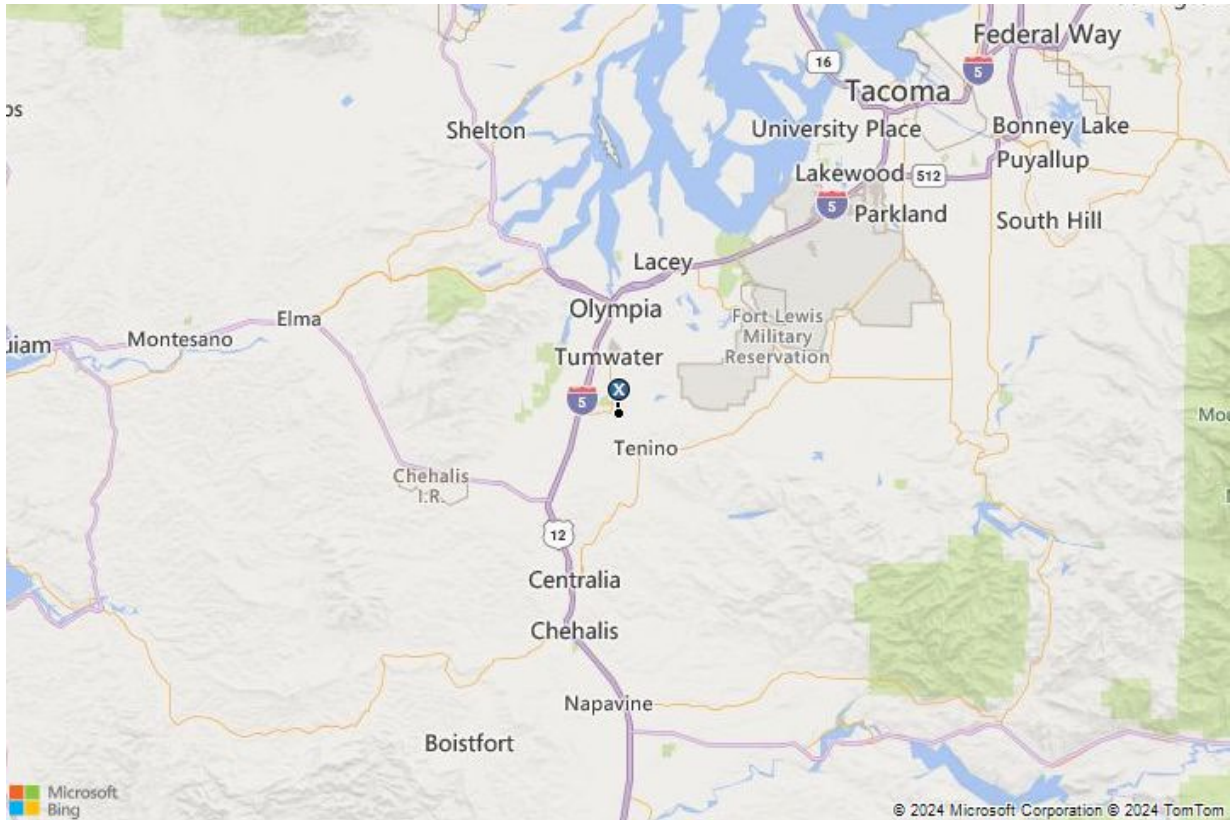
Source: Claritas

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### Conclusion

The Thurston County economy will be affected by a growing population base and lower income and education levels. Thurston County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Thurston County economy will improve, and employment will grow, strengthening the demand for real estate.

## Area Map



## Surrounding Area Analysis

### Location

The subject is located in south of Tumwater and north of Tenino and Grand Mound in unincorporated Thurston County.

### Access and Linkages

Primary highway access to the area is via I-5 and Old Highway 99 SE. Public transportation is provided by ruralTRANSIT and provides access to between Tumwater, Yelm, and Centralia. Overall, the primary mode of transportation in the area is the automobile.

### Demand Generators

Major employers include Great Wolf Lodge in Grand Mound and Lucky Eagle Casino in Chehalis Village. Many residents commute to Olympia for work.

### Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics						
2024 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	98512	Thurston County	Washington
Population 2020	92	4,454	15,094	31,661	294,793	7,705,281
Population 2024	93	4,467	15,506	32,075	302,865	7,904,137
Population 2029	96	4,534	16,160	33,029	316,448	8,246,208
Compound % Change 2020-2024	0.3%	0.1%	0.7%	0.3%	0.7%	0.6%
Compound % Change 2024-2029	0.6%	0.3%	0.8%	0.6%	0.9%	0.9%
Households 2020	35	1,718	5,703	12,757	115,397	2,974,692
Households 2024	35	1,717	5,854	12,879	118,237	3,049,607
Households 2029	36	1,738	6,101	13,217	123,306	3,181,218
Compound % Change 2020-2024	0.0%	0.0%	0.7%	0.2%	0.6%	0.6%
Compound % Change 2024-2029	0.6%	0.2%	0.8%	0.5%	0.8%	0.8%
Median Household Income 2024	\$103,906	\$84,078	\$87,086	\$85,656	\$87,377	\$92,904
Average Household Size	2.6	2.6	2.6	2.5	2.5	2.5
College Graduate %	29%	24%	28%	37%	37%	38%
Median Age	47	45	43	42	41	39
Owner Occupied %	89%	84%	81%	69%	66%	62%
Renter Occupied %	11%	16%	19%	31%	34%	38%
Median Owner Occupied Housing Value	\$555,513	\$481,821	\$483,000	\$480,663	\$476,543	\$561,529
Median Year Structure Built	1996	1989	1991	1989	1990	1984
Average Travel Time to Work in Minutes	31	32	30	27	29	29

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 4,467, and the average household size is 2.6. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Thurston County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$84,078, which is lower than the household income for Thurston County. Residents within a 3-mile radius have a considerably lower level of educational attainment than those of Thurston County, while median owner-occupied home values are similar.



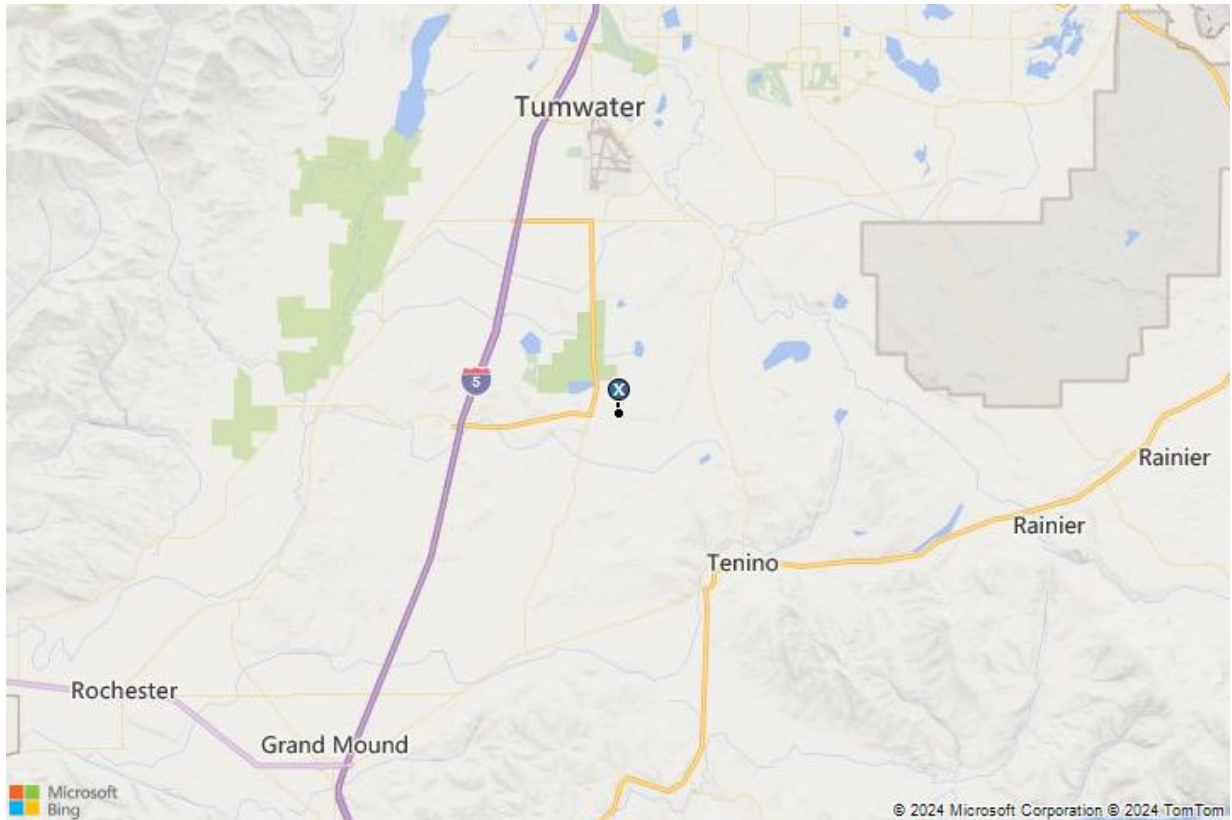
**Land Use**

The area is rural in character and mostly undeveloped. There have been recent attempts to rezone the subject, and the area around the Interstate 5 interchange to allow for Industrial and other commercial uses; however, these attempts have been heavily opposed by local residents. Overall, there is limited development in the subject's immediate vicinity.

**Outlook and Conclusions**

Overall, we anticipate that property values will remain stable in the near future.

## Surrounding Area Map



## Sand and Gravel Mining Market Analysis

### Overview

#### Definition

Open-pit mining, also known as opencast mining and open-cut mining, refers to a method of extracting rock or minerals from the earth by their removal from an open pit or burrow. The term is used to differentiate this form of mining from extractive methods that require tunneling into the earth. Open-pit mines are used when deposits of commercially useful minerals or rock are found near the surface; that is, where the overburden (surface material covering the valuable deposit) is relatively thin, or the material of interest is structurally unsuitable for tunneling (as would be the case for sand, cinder, and gravel).

Open-pit mines that produce building materials are commonly referred to as quarries. Open-pit mines are typically enlarged until the mineral resource is exhausted. When this occurs, the exhausted mines are sometimes converted to landfills for disposal of solid wastes. When land prices reach a level of feasibility, the mined areas are converted to a natural resource or lake, and un-mined areas are used for conventional development, such as residential and commercial subdivisions.

#### Uses for Aggregates

Natural aggregates (crushed stone, sand, and gravel) are among the most abundant natural resources and a major basic raw material used by construction, agricultural, and industries employing complex chemical metallurgical processes. Despite the low value of the basic products, natural aggregates are a major contributor to and an indicator of the state of the economy.

Industrial aggregates are used in paint, paper, and plastics, and glass also requires sand, gravel, or crushed stone as a constituent. When ground into powder, limestone is used as an important mineral supplement in agriculture, medicine, and household products. Aggregates are also being used more and more to protect the environment. Soil erosion-control programs, water purification, and reduction of sulfur dioxide emissions generated by electric power plants are other uses.

#### Mining and Processing

Mining of crushed stone or sand and gravel is dependent on the geological characteristics and the extent and thickness of the deposit. In open-pit mining and quarrying, sand and gravel deposits above the water table may be excavated with conventional earth-moving equipment such as bulldozers, front-end loaders, tractor scrapers and draglines.

After removal from the ground, sand and gravel are transported by front-end loaders, trucks, or conveyors to a processing plant, where the material is washed, sieved for desired size gradations, and stored in conical stockpiles. In some instances, gravel particles are crushed before sieving in order to increase the amount of a desired particle-size fraction. Material is then removed from stockpiles using front-end loaders and/or conveyors and typically loaded into large dump trucks, which deliver the product to the job site. Before leaving the mine, the dump trucks pass over a scale, which weighs the load of sand and gravel. The scale master tallies the amount of material being hauled away by each buyer and provides that information to the mine's business office.

## Transportation

Three principal types of transportation are road, rail, or water. Aggregate is either used at the site of extraction (such as in concrete or bituminous mixes) or is transported to the point of use. The preferred mode of transportation depends on a variety of factors, including delivery-schedule requirements, the distance to be hauled, the volume of material, loading and unloading facilities, and the availability of transportation methods.

Transport by truck is by far the most common method. Trucks can quickly and simply be loaded at points of origin and can dump or drop their loads unassisted at the destination. They are not restricted to railways or waterways and can deliver practically anywhere there is a road. Trucks from small pickups to rigs that carry many tons can be matched to requirements and thus can make deliveries without great economic consequences.

If pits or quarries have access to railroads, rail delivery may be more economical than truck delivery. The choice depends on two principal variables—the tonnage of aggregate to be moved and the distance it must be hauled. Other factors to be considered are loading and unloading facilities and schedule requirements. If the aggregate shipped annually exceeds 20,000 short tons, or if the aggregate is to be hauled more than 45 miles, rail shipping may be more economical than truck transport.

With greater tonnages and distances, the advantages of rail shipment are even greater. Aggregate can be loaded on either 100-ton bottom-dump hopper cars or gondolas and moved in single cars (the most expensive way to ship by rail), or can be joined and moved as multiple cars, by trainloads, or by unit trains (the least expensive way).

## Reclamation

Sand or gravel deposit is a depleting, totally wasting resource. This is different from a depreciating building where, after the end of its economic life, the land, often a high value component, remains. Although somewhat speculative, in most situations there is no residual or reversionary land value in an abandoned gravel pit. Some are used for refuge and land fill sites, others have been converted to parks, and others simply filled in and built over for residential/commercial subdivision.

Reclamation of a mined-out area is highly important to communities near aggregate operations because residents do not want a scarred landscape near their property. The most acceptable method for the community, and commonly the most economical for the producer, is to plan reclamation before the aggregate is extracted. Aggregate can be mined with the final land-surface contours in mind, equipment can be used for both mining and reclamation, and mined-out areas can be reclaimed concurrent with extraction in other parts of the operation.

The primary goal of reclamation is to return the land to a beneficial use. Residential developments are a popular use for reclaimed sites and the natural setting provided by rock outcrops and water fulfill a demand for scenic, lake-front property. Reclaimed pits or quarries have also been converted to industrial and commercial properties or to office parks, golf courses, parks and recreation areas, storm-water management, farmland, and landfills.

Reclamation procedures depend on the configuration and character of the mined-out area. Progressive reclamation typically involves the following steps: (1) terracing the pit or face walls during or after extraction, (2) final shaping of the worked-out area by replacing and re-contouring the overburden, and (3) landscaping. Reclamation plans are most effective if operators and planners select a strategy that satisfies the land use needs of the community and at the same time provides an economic incentive for the operator.

### **U.S. Demand for Natural Aggregate**

Based on data from the USGS, in 2023 sand and gravel production reached an estimated 920 million tons, down 4% compared to the same period of 2022. Consumption of sand and gravel aggregates also decreased in 2023 because of decreases in housing demand caused by interest rate increases.

The top producing states are Texas, California, Minnesota, Michigan, Arizona, Colorado, Ohio, Utah, and Washington, which accounted for 53% of the total national output of sand and gravel aggregates.

National demand for aggregates is expected to recover due to the 2021 Infrastructure Investment and Jobs Act that reauthorized surface transportation programs and invests billions in additional funding to repair roads, bridges and support major projects. The bill included an addition of \$118 billion to the Highway Trust Fund.

### **Pricing**

Aggregate is a high-volume, low-value commodity. The industry is highly competitive and is characterized by thousands of operations serving local or regional markets. Production costs vary widely depending on geographic location, the nature of the deposit, and the number and type of products produced. Constant dollar unit values have been quite steady during the past 20 years. Because aggregate is a high-bulk, low-cost commodity, the transportation cost to the site of use is a significant part of the total cost to the purchaser. Therefore, natural aggregate commonly is used within 30 to 50 miles of the place of extraction. Ultimately the supply area is controlled by the geology of the area, ownership of the land, zoning or other land-use restrictions, and transportation routes. Rural counties and their communities commonly attempt to obtain aggregates within their boundaries.

The cost of moving construction sand and gravel from the plant to the market often exceeds the sales price of the product at the plant. Because of the high cost of transportation, construction sand and gravel continue to be marketed locally. Economies of scale, which might be realized if fewer, larger operations served larger marketing areas, would probably not offset the increased transportation costs. Truck haulage is the main form of transportation used in the construction sand and gravel industry. Truck transportation accounts for about 80% to 90% of total construction sand and gravel shipments.

The industry faces increasing competition from crushed stone that can substitute for sand and gravel in most of its applications. Stone operations are generally longer lived, can afford greater capital investment for higher efficiency, and are often located where competing land use pressures are less severe. The topographically rugged stone-bearing areas are usually less desirable for construction purposes than sand-and-gravel-bearing areas, which are generally flatter.

**Producer Price Index: Construction Sand and Gravel Mining**

The chart below shows annual percent change in the producer price index for construction sand and gravel mining.



Prices have been trending upward since 2020 with accelerating growth in 2022 that peaked in 2023. Recently, the increases have steadied and begun to level out around 8% increase per year in the price index.

**Demand Outlook**

Because crushed stone and sand and gravel are used mostly in the construction industry, reasonable estimates of the future demand for natural aggregate are based on predictions of future construction, such as the number of residential and nonresidential buildings, highway award contracts, and public construction products.

## Property Analysis

### Land Description and Analysis

#### Location

The property is located on the east side of Tilley Road SW near where it intersects with Maytown Road SW. An active rail Tacoma Rail Mountain Line runs east/west through the property.

#### Land Area

The following table summarizes the subject's land area.

Land Area Summary						
Tax ID	SF	Usable SF	Unusable SF	Acres	Usable Acres	Unusable Acres
12602340100	32,520,154	21,662,388	10,857,766	746.56	497.30	249.26
Source: Public Records						

The subject usable area is defined as the "project area" within the special use permit boundary. The area outside of the boundary consists of critical areas, wetlands, and buffers. Please see the map included at the end of this section for more details.

#### Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 7,304 feet in width and 3,670 feet in depth. Site utility based on shape and dimensions is good.

#### Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

#### Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

According to public records, there are areas of high ground water, hydric soils, and wetlands on the property. The wetlands are denoted on the property map and survey included in this section and in the Addenda.



### Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	53067C0300F
Date	May 8, 2024
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

### Seismic Hazard Status

Based on review of available earthquake hazard and liquefaction maps obtained from the Washington State DNR, the subject is located in an area of low to medium risk of significant seismic activity.

### Environmental Hazards

A 2020 Groundwater Monitoring Report was prepared for the subject by the Pacific Groundwater Group, dated June 3, 2020. Regular monitoring is required by the mining permits and continues to be recommended.

### Ground Stability

A soils report was not provided for review. Based on the inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

### Wetlands and Critical Areas

The subject has multiple wetland areas on site as well as protected Oaktree stands and buffers from the Washington Department of Fish and Wildlife property with protected prairies and animal habitats. These areas require appropriate signage and mitigation from site activities. Please see the map included at this end of this section and in the maps included in the addended.

**Streets, Access, and Frontage**

Details pertaining to street access and frontage are provided in the following table.

<b>Streets, Access and Frontage</b>	
Street	Tilley Road SW
Frontage Feet	215
Paving	Asphalt
Curbs	No
Sidewalks	No
Lanes	2 way, 1 lane each way
Direction of Traffic	North/South
Condition	Average
Traffic Levels	Low
Signals/Traffic Control	None
Access/Curb Cuts	Yes
Visibility	Below average

**Utilities**

Utilities available to the subject are summarized below.

<b>Utilities</b>	
Service	Provider
Water	No
Sewer	No
Electricity	Puget Sound Energy
Natural Gas	Puget Sound Energy
Local Phone	Various

## Zoning

The subject is within the Rural - one dwelling per 20 acres zone, which is intended to provide low-density residential, agriculture, or forestry uses. The following table summarizes the applicable zoning requirements affecting the subject.

<b>Zoning Summary</b>	
Zoning Jurisdiction	Thurston County
Zoning Designation	R 1/20
Description	Rural - one dwelling per 20 acres
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Currently considering rezoning for industrial, commercial, or residential use.
Permitted Uses	low density residential, agriculture, forestry, conservation, and associated uses that don't require urban services. Mining is allowed as a special use. Lots may be subdivided if they are a Planned Rural Residential Development
Category	Zoning Requirement
Minimum Lot Area	Large lot: 20 acres of 1/32 of a section Planned Rural Residential Developments: None Special Uses: 5 acres
Minimum Setbacks (Feet)	Depends on use. Front: 10-50 ft Side: 5-35 ft Rear: 5-35 ft
Maximum Building Height	35 ft
Maximum Site Coverage	Lots 2.5 acres or greater: 10% of first five acres, 5% of remaining area. Lots less than 2.5 acres: 60% or 10,000 SF, whichever is less.
Parking Requirement	Single family: 2 spaces/dwelling unit

The Port of Tacoma has applied to rezone the property to RRI, as well as an amendment to the zoning code, to allow for larger scale industrial development on the property such as a logistics center that would benefit from the rail access. The most recent application submitted for 2024-2025 review, was removed from the Thurston County planning docket. The property owners will need to reapply for the next planning round. However, the planning documents noted that there is substantial opposition to the site rezone. In 2019, 6,000 people signed a petition to oppose the rezone and 748 people submitted public comments, which far exceeds the typical public involvement in the planning process. In 2023, 10 public comments were submitted echoing previous sentiments. The board also noted that based on the Industrial Land Study, the county has an adequate acreage of industrially land in 2024 based on the acres currently zoned for industrial use and the current level of development. Based on the history of the application to rezone the property, the similar treatment by the County of similar applications in superior locations to the subject, and very high level of public involvement in this particular property compared to others, we do not consider it likely that a rezone of this property will be approved within the forecast horizon.

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

### **Other Land Use Regulations**

There are several land use regulations that affect the property: a Thurston County Special Use Permit, DNR Surface Mine Reclamation Permit, and a Department of Ecology Sand and Gravel General Permit. These permits allow for gravel mining.

### **Potential Development Density**

The subject is zoned R 1/20 which allows for low density residential development with one dwelling unit per 20 acres. Based on the size of the property, the maximum potential development density is 37 single family residences.

### **Easements, Encroachments and Restrictions**

A title policy prepared by Thurston County Title Company dated July 11, 2014, was provided. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. This valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

We note that the subject includes water rights.

### **Conclusion of Site Analysis**

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include low density residential, agriculture, forestry, conservation, and associated uses that don't require urban services. Mining is allowed as a special use. Lots may be subdivided if they are a Planned Rural Residential Development. Gravel mining is a conditionally permitted use on this site. No other restrictions on development are apparent.



Entrance to the site from Tilley Road.



Gate on the property securing access from Tilley Road.



Former office building on the western part of the site. Building is current vacant and in disrepair.



View of driveway and vegetation in the middle of the property.



Graveled driveway through the property. Viewing angle is to the north. Roadway runs roughly along the south side of the tracks.



View of driveway and vegetation in the southeastern portion of the property.





View of a critical area of oak trees along the southern property line near Wetland A. The appropriate signage is posted.



Native outwash prairie buffer area and singage near the eastern end of the property.



Paved rail crossing to the northeast mining area.



Looking west along the railway spur. The subject property on seen on both sides of the railway.



Looking east along railway from paved crossing to the northeastern part of the parcel.



View of mining area (Pit 1) in the northeastern portion of the property. Currently the only area being mined.



Looking west from the active gravel pit towards the wetlands on the northern part of the site.



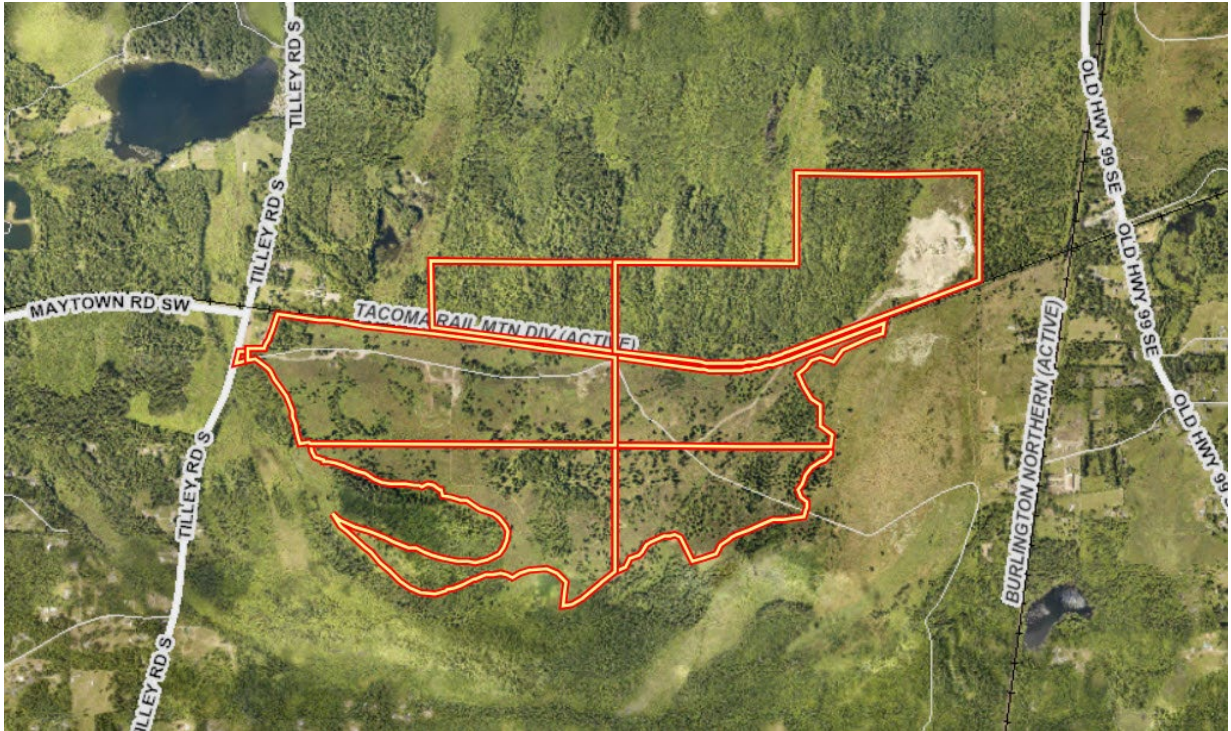
Looking north up Tilley Road from the subject entrance.



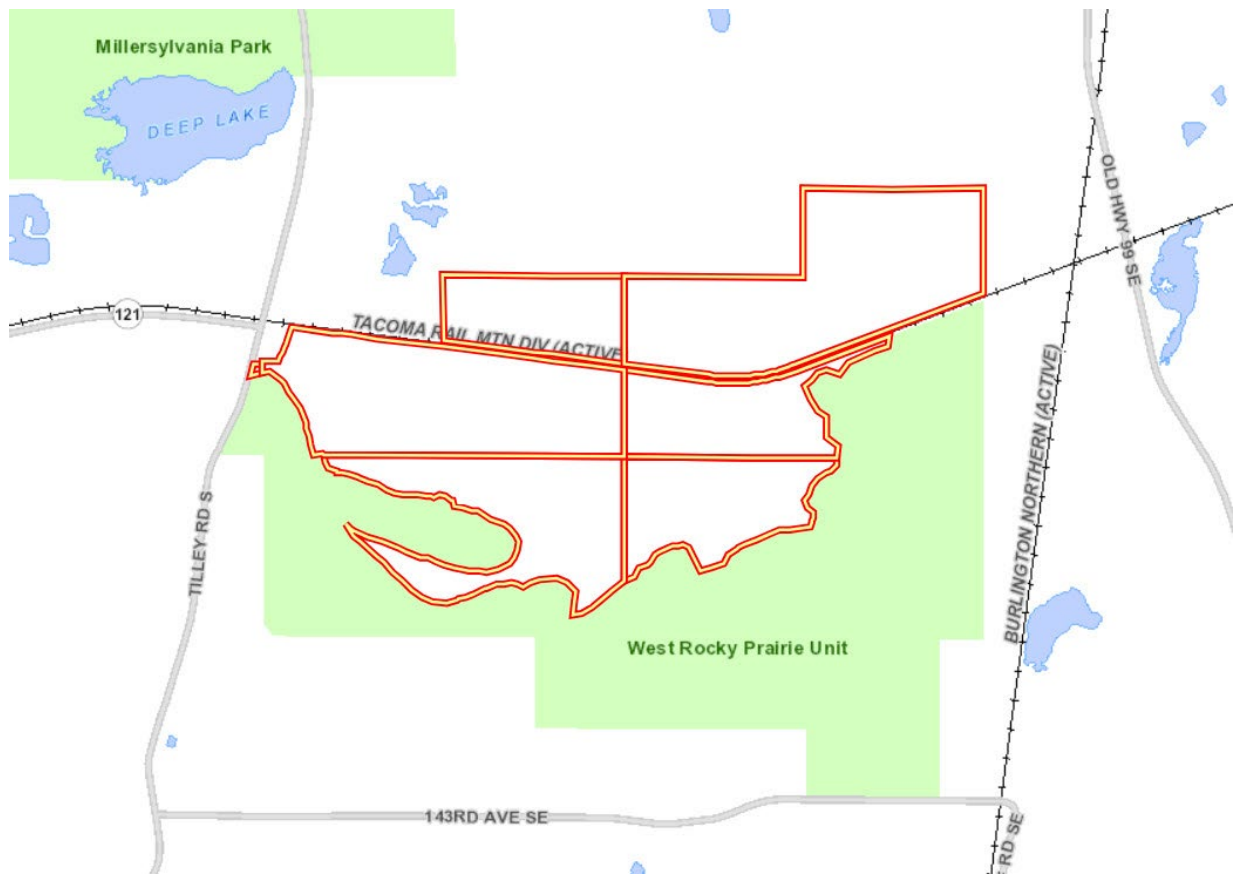
Looking south down Tilley Road from the entrance to the subject.



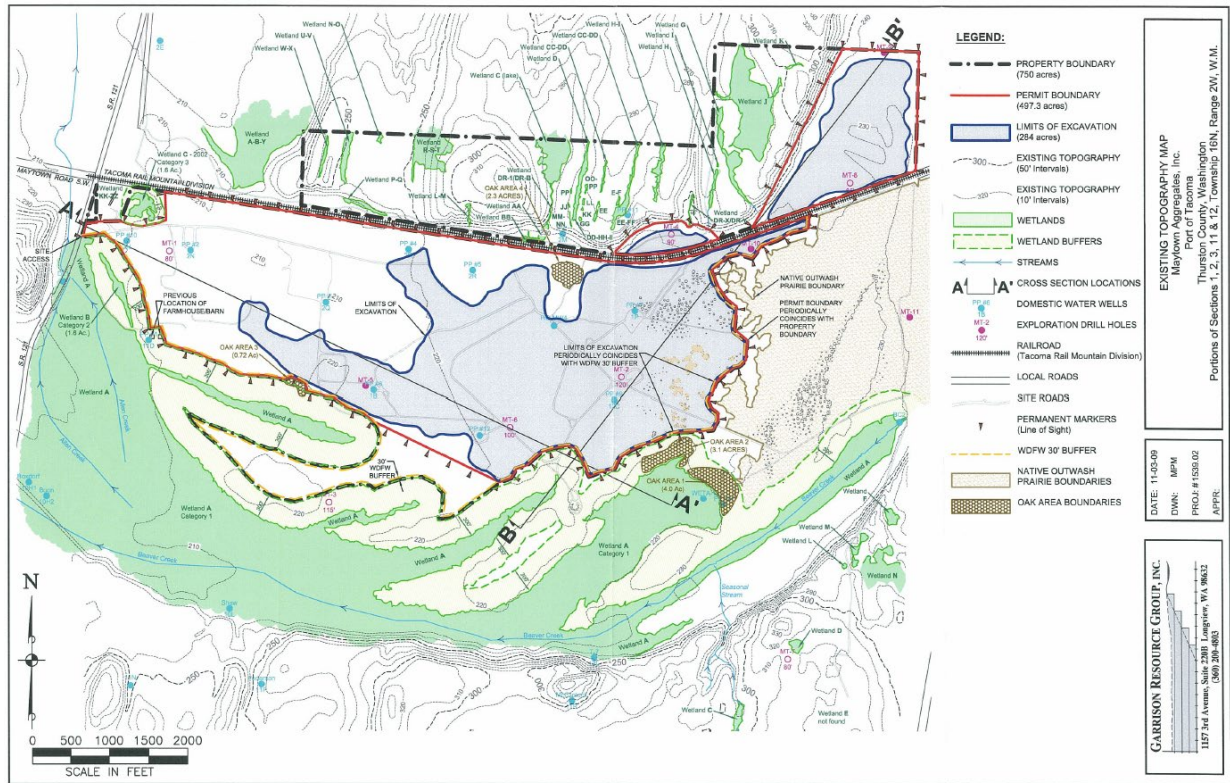
## Aerial Photograph



## Plat Map

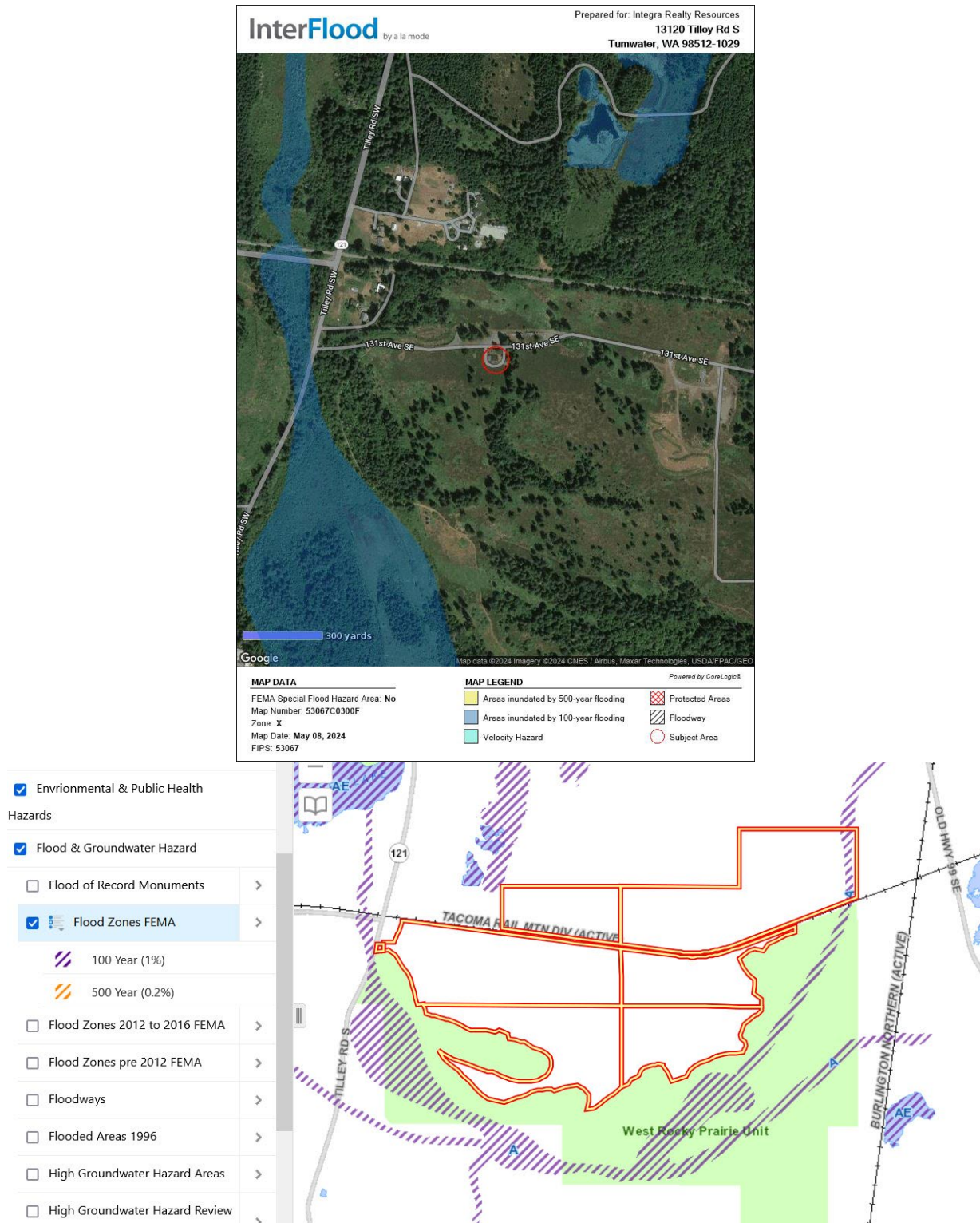


## Site Survey with Wetlands and Mining Areas



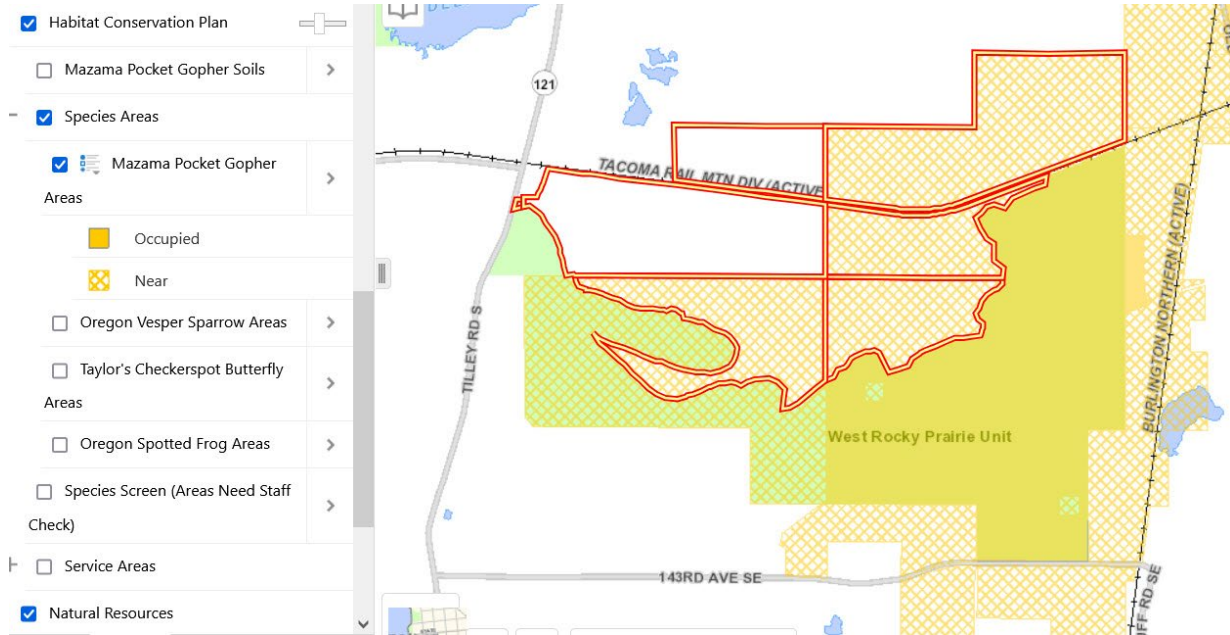


## Flood Hazard Map



Tilley Road Gravel Pit

## Pocket Gopher Map



## Zoning Map



## Real Estate Taxes

Real estate taxes in Washington State represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by dividing the assessed value of a property by \$1,000, then multiplying by the levy (tax) rate. The levy rate is composed of a statewide tax rate plus one or more local taxing district rates. Assessors are mandated by State law to value property at 100% of market.

The subject property is a government owned property and property taxes are not assessed. If the property were to sell to a private owner, property taxes would be levied.

The table below shows the current assessed value for the subject.

<b>Taxes and Assessments - 2024</b>							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Tax Rate	Ad Valorem Taxes	Direct Assessments	Total
12602340100	\$6,340,900	\$0	\$6,340,900	0.000000%	\$0	\$24,174	\$24,174



## Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value and represents the use of an asset that maximizes its productivity.

### Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

### As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

#### Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses. There are critical areas on site, but they are mostly situated along the periphery of the site and due to the size of the property, do not impeded the functionality of the site.

#### Legally Permissible

The site is zoned R 1/20, Rural - one dwelling per 20 acres. Permitted uses include low density residential, agriculture, forestry, conservation, and associated uses that don't require urban services. Mining is allowed as a special use. Lots may be subdivided if they are a Planned Rural Residential Development. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property.

Gravel mining is allowed as a conditional use under the zoning. The property currently has the permits to allow for this use.

The directly legally permissible uses on the subject are mining and low-density residential development.

Part of the subject was previously zoned RRI, a rural industrial zone in Thurston County. There have been continued attempts to get the property rezoned back to RRI to allow for industrial uses such as logistics warehousing that would utilize the rail access and access to Interstate 5. It is our opinion that this zoning change is highly unlikely; however, we have been asked by the client to analyze the potential value and feasibility of the property if the property were hypothetically rezoned.

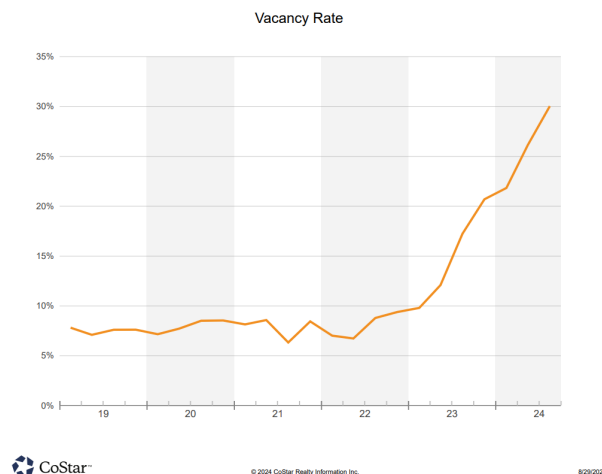
We consider the following three uses in the highest best use analysis: current use as gravel mine, low-density residential use, and industrial use.

### Financially Feasible

At this time, gravel mining and residential development are both financially feasible. There is ample demand for both housing and aggregate resources to support these types of uses. Even though the market has softened, demand continues especially as market participants adjust to the new market climate. The chart below shows median home sale price data in Thurston County over the past three years. While there has been some volatility since the interest rate increases, values have generally stabilized since the market peak in Q2 2022.



The industrial market has slowed substantially since the boom following COVID with online retailers reducing their footprints and ceasing real estate expansion. The Q3 2024 vacancy rate for Industrial properties in the Seattle Southend submarkets (Kent Valley, Tacoma, etc.) and the Olympia MSA submarkets is 30%, which is the highest the vacancy has ever been since 2000, when Costar started tracking this data. The chart below from CoStar shows the vacancy rate over the past five years.



In 2023 nearly 1.2 million square feet of new construction industrial space was delivered. Slow absorption of the deliveries is a major contributor to the high vacancy rate. There are still some projects under construction; however, aside from a 520,000 square foot project that started in Q2 2023, no new projects have started or are proposed to start since the start of Q3 2023.

With the high cost of capital and conservative lending practices, it would be difficult to finance a large-scale industrial project at this time. That said, there is still a market for industrial land due to the overall optimism about the long-term growth of the Puget Sound region.

Overall, both gravel mining and residential development are financially feasible at this time. Industrial use is not immediately feasible; however, an investor may see gravel as a suitable interim use given the long hold period prior to future industrial redevelopment when the Thurston County Industrial Market is more filled in and market conditions are more suited to support new industrial development.

### **Maximally Productive**

Please refer to the valuation sections for specific valuations. While industrial use yields the highest price, this is a speculative value based on the hypothetical condition that the rezone is approved. Additionally, the most likely industrial buyer will be a large-scale industrial developer/REIT with significant resources that could afford to hold the property for future development.

Between the financially feasible and legally permissible uses, gravel mining has a significantly higher value than residential use. Given that gravel mining is a temporary use, a buyer would consider the future redevelopment potential of the site.

Overall, gravel mining is the maximally productive use of the site.

### **Conclusion**

Gravel mining is the only use that meets all four conditions and is concluded to be the highest and best use.

Under the speculative hypothetical condition that the property is rezoned to permit industrial use, gravel mining will be considered the interim highest and best use until industrial market conditions improve and it is financially feasible to develop.

### **As Improved**

The subject property is currently improved as a sand and gravel mine with permits in place to support the operation. The current use aligns with the highest and best use as if vacant. The highest and best use as improved is continued use of the property as a gravel mine.

**Most Probable Buyer**

The most probable buyer is a large aggregate resource company that would mine the site until depleted.

Under the hypothetical condition that the site is rezoned, resource suppliers would still be interested in the site; however, a large industrial developer may purchase the site to secure the future development opportunity. We anticipate such a buyer would see gravel mining as an interim use and would seek to continue operation of the mine through a royalty agreement.

# Valuation

## Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties and vacant land.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The subject is valued under three scenarios. In Scenario 1 the subject is valued with its current use as a gravel mine. Both the income approach and the sale comparison approach are applicable to the first scenario. In Scenario 2, the property is valued under the hypothetical condition that the zoning is changed and allows for the desired industrial use using the sale comparison approach. The sale comparison approach is also used in Scenario 3, where the property is valued under the condition that residential use is the highest and best use.

## Scenario 1 – Gravel Pit Valuation

### Sales Comparison Approach

To develop an opinion of the subject's land value, as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: Western Washington
- Size: 20 to 2,000 acres
- Use: Gravel mining and conservation
- Transaction Date: Within five years of the date of value

For this analysis, price per square foot is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

#### Summary of Comparable Land Sales - Scenario 1 - Gravel

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
1	Tenino 1,568 acres Conservation Land Old Highway 99 SE. Tenino Thurston County Tax ID: 1262300-0400,-0500,-0600,-0700,-0800,-0900,-1500,-1600,-1800; 1262343-0100; 1262400-1100,-1200,-1300,-1400,-1900,-2000,-1000; 1262410-0100; 1262420-0200,-0300; 1262500-1900; 1262600-2500,-2700,-2600,-2800,-2900,-3000; 1262622-0000; 1262741-0000	Jun-21 Closed	\$12,870,000	68,302,080 1,568.00	R 1/20	\$0.19

Comments: Over 1,500 acres of undeveloped land in Thurston County. Has views of both Mt. Rainier and Mt. St. Helens. The topography and vegetation consists primarily of rolling grassy meadows. There is a herd of elk that live on the property. About 90 acres of the property is located within the Tenino city limits and are zoned Master Planned Community. The acres that are considered prairies are eligible for the sale of Pocket Gopher mitigation credits. The credits were valued between \$11,000 to \$14,000 in 2020. The property was listed in September 2020 and closed in June 2021. The property was purchased for 95% of asking by a conservation group that plans to sell the mitigation credits.

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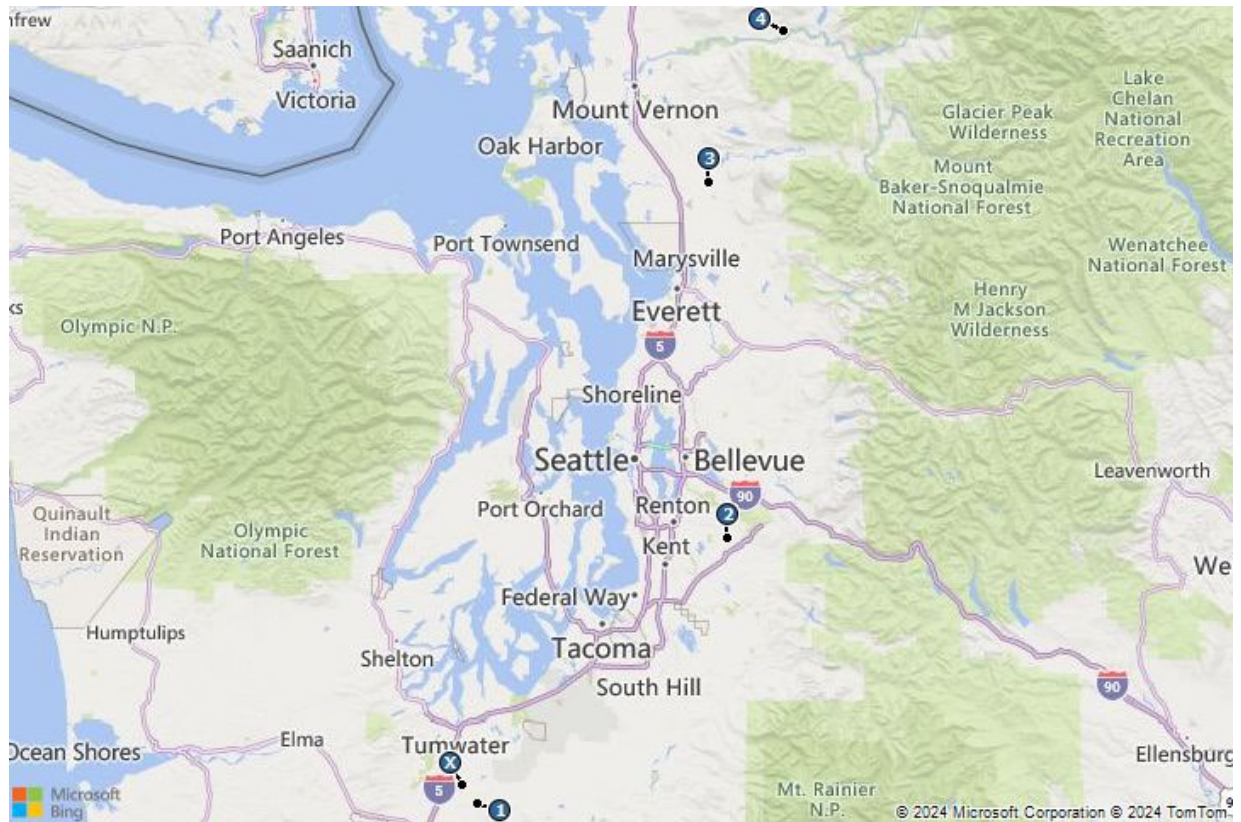
**Summary of Comparable Land Sales**


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No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
2	Lake Francis Sand and Gravel Quarry 22606 SE. Lake Francis Rd. Maple Valley King County Tax ID: 3323069080 Comments: Currently pending sale of 24 acre sand and gravel quarry in Maple Valley. The property was listed for \$2,750,000 in September 2023 and went under contract in August 2024. The quarry has 250,000 cubic yards remaining to be reclaimed. The pit has an active permit, on-site power, scale house and weigh scale facility.	Aug-24 Offer Pending	\$2,750,000	1,031,790 23.69	M & RA5	\$2.67
3	Arlington Gravel Property 9325 Arlington Heights Rd. Arlington Snohomish County Tax ID: 32053600400400 Comments: Sale of operational sand and gravel pit in Arlington. Site also has merchantable timber on site and potential for future redevelopment after the deposit is depleted. Estimated value of the gravel is at least \$8 million.	Apr-19 Closed	\$3,800,000	3,049,200 70.00	R5/MRO	\$1.25
4	Concrete Sand and Gravel Pit 40721 Challenger Rd. Concrete Skagit County Tax ID: P42447, P42416 Comments: Sale of permitted sale and gravel pit. The permitted pit area is 13.37 acres with 7.33 acres remaining for pit expansion or construction of a residence. None of the mining equipment was included in the listing price. Listed for \$950,000 in February 2022 and when under contract in March 2022. Sold for 83% of asking.	Jul-22 Closed	\$785,000	901,692 20.70	RR	\$0.87
<b>Subject</b>				32,520,154	R 1/20	
Tilley Road Gravel Pit				746.56		
Tumwater, WA						

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## Comparable Land Sales Map







Sale 1  
Tenino 1,568 acres Conservation Land



Sale 2  
Lake Francis Sand and Gravel Quarry



Sale 3  
Arlington Gravel Property



Sale 4  
Concrete Sand and Gravel Pit

Tilley Road Gravel Pit

### **Qualitative Analysis of Sales**

Qualitative analysis recognizes the inefficiencies of real estate markets and the difficulty of expressing adjustments with mathematical precision. Several techniques can be utilized in qualitative analysis including:

- Relative comparison analysis;
- Ranking analysis;
- Personal interviews.

The comparable sales and subject property have been analyzed using one or more of these methods for each of the following elements of comparison.

### **Real Property Rights Conveyed**

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants, and restrictions (CC&Rs). All the comparables represent fee simple estate transactions and are similar to the subject.

### **Financing**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed, and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, are similar to the subject.

### **Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

Comparable 2 is a current listing and is ranked superior to reflect the likelihood the sale price will be below the list price, as actual sale prices are typically negotiated downward. The remaining comparables are similar to the subject.

#### **Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. There were no expenditures reported immediately after purchase for any of the transactions. No adjustments are made.

#### **Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then the comparables are considered similar.

Sale 1 market conditions are considered superior since it occurred towards the peak of the market prior to interest rate hikes. Sale 2 is similar since it was recently listed within a month of the date of value. Sale 3 is considered inferior since it closed in 2019 and the market has overall appreciated since then despite the volatility of the past four years. Sale 4 is considered similar since it closed after the interest rates increased.

#### **Property Characteristic Adjustments**

**Sale 1:** Is the most similar property to the subject overall; however, it is inferior to the subject since it does not have entitlements for resource extraction. The highest and best use of the site is for residential development or conservation. The property was purchased for conservation with anticipated value return coming from the sale of mitigation credits. The property is also about twice the size of the subject and requires an upward adjustment for size.

Overall, this property is a very strong indication of the value of the property without entitlements and is relied heavily upon in the analysis of the future reversion value of the property when the resources are fully depleted. This indication shows the lower bound of the value of the site today, with entitlements and reflects the location and the size.

**Sale 2:** Is the very recent listing of an active gravel pit in Maple Valley in southeastern King County. The site benefits from its location adjacent to another larger gravel pit operated by Lakeside Industries and proximate to the substantial development projects in Maple Valley and Black Diamond. The site is also much smaller, only about 23 acres. Overall, the comparison indicates the upper bound of the potential value of the subject.

**Sale 3:** The property is much smaller than the subject at only 70 acres and requires downward adjustment from the indicated price per square foot. The location in Arlington is also slightly superior due to the larger amount of suburban development ongoing in Snohomish County compared to Thurston County.

**Sale 4:** Has rural location that is very inferior to the subject. The site is only 20 acres and requires substantial downward adjustment for size. In net, this property is similar to the subject and indicates a similar value for the subject.

### Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

<b>Land Sales Adjustment Grid - Scenario 1 - Gravel</b>					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Tilley Road Gravel Pit	Tenino 1,568 acres Conservation Land	Lake Francis Sand and Gravel Quarry	Arlington Gravel Property	Concrete Sand and Gravel Pit
Address	13120 Tilley Road SW	Old Highway 99 SE.	22606 SE. Lake Francis Rd.	9325 Arlington Heights Rd.	40721 Challenger Rd.
City	Tumwater	Tenino	Maple Valley	Arlington	Concrete
Sale Date		Jun-21	Aug-24	Apr-19	Jul-22
Sale Status		Closed	Offer Pending	Closed	Closed
Sale Price		\$12,870,000	\$2,750,000	\$3,800,000	\$785,000
Square Feet	32,520,154	68,302,080	1,031,790	3,049,200	901,692
Acres	746.56	1,568.00	23.69	70.00	20.70
<b>Price per Square Foot</b>		<b>\$0.19</b>	<b>\$2.67</b>	<b>\$1.25</b>	<b>\$0.87</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—	—
Financing Terms		—	—	—	—
Ranking		—	—	—	—
Conditions of Sale		Arm's-length	Superior	—	—
Ranking		—	—	—	—
Expenditures Made Immediately After Purchase		—	—	—	—
Ranking		—	—	—	—
Market Conditions	6/25/2024	Jun-21	Aug-24	Apr-19	Jul-22
Ranking		Superior	—	Inferior	—
Location		—	Very Superior	Superior	Inferior
Access/Exposure		—	—	—	—
Size		Inferior	Very Superior	Very Superior	Very Superior
Shape and Topography		—	—	—	—
Entitlements		Very Inferior	—	—	—
<b>Overall Ranking</b>		<b>Very Inferior</b>	<b>Very Superior</b>	<b>Very Superior</b>	<b>Superior</b>
<b>Indicated Value</b>		<b>\$0.60</b>			

### Ranking and Value Indication

The final ranking of the comparables is presented in the following table.

<b>Ranking Analysis and Reconciliation - Scenario 1 - Gravel</b>			
Comparable No.	Overall Comparability	Price per Square Foot	Estimated Value
1	Very Inferior	\$0.19	
Subject			\$0.60
4	Superior	\$0.87	
3	Very Superior	\$1.25	
2	Very Superior	\$2.67	
Estimated Unit Value			\$0.60

The sales reflect a range of \$0.19 - \$2.67 per square foot, with an average of \$1.25 per square foot. The value indications derived from the comparables bracket the subject property. Primary weight is given to Comparable 1.

In this analysis we use the subject's gross land area, 745 acres. However, the permit created a project area of 497 acres with the remaining area consisting of wetlands and critical areas. Within this project area, the mining area is only 284 acres; however, it is not the entire usable area, it only represents the areas with gravel deposits within the usable area that were approved for reclamation. Sales 2, 3 and 4 are mostly usable with the gravel footprints varying in size within the parcel area and show a rough trend of the higher ratio between the mine footprint and the site area correlating with a higher price per square foot value. We consider the relationship between the value per unit of the gross area and the usable area when we conclude to a value per gross area of the subject.

Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

<b>Land Value Conclusion</b>	
Indicated Value per Square Foot	\$0.60
Subject Square Feet	32,520,154
Indicated Value	\$19,512,092
Rounded	\$19,500,000

## Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze market data to estimate royalty revenue that can be collected by a buyer of the property through a lease to a quarry operator.
- Calculate net operating income to the property owner by deducting operating expenses (if appropriate).
- Apply the most appropriate capitalization methods to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only the discounted cash flow method to estimate value through yield analysis. The following provides details of our analysis of the market value of the subject's estimate reserves.

### Resource Reserves

The Gravel and Mining permit for the subject permits a maximum extraction of 20.6 million cubic yards of aggregate, or 34,608,000 tons. Following the issuance of the permit, about 104,000 tons were extracted between 2013 and 2015. After 2015, the mine was inactive. In order to maintain the permit, at least 500 cubic yards (about 840 tons) need to be reclaimed every three years. In 2018, about 1,180 tons were extracted. Since then, the exact amount extracted has not been reported, but we estimate that in 2021, 840 tons were extracted to meet the minimum requirements. In total, the current estimate reserves for the site are estimated to be about 34,502,160 tons.

### Projection of Future Production

The permit stipulates that the gravel will be extracted within 20 years with a maximum of 2 million tons extracted per year when the operation is at peak operating capacity. Operations will ramp up over the first few years. Past production levels are not reflective of how a typical operator would operate the site. Production is estimated to start with 600,000 tons per year increasing by 30% annually until the maximum annual production is achieved in year six.

### Aggregate Recycling

In addition to material extraction, the permit allows for 100,000 tons of concrete and asphalt recycling on site, when the operation reaches maximum capacity. Material recycling has started on site, but the exact amount is unclear. We estimate the recycling operation will follow a similar pattern as the material reclamation with maximum capacity achieved in year six following an annual growth of 30%. The starting capacity is estimated at 30,000 tons.

## Royalty Projections

Royalty rates for mining sites are similar to ground leases except that the rate is based on the units of resources extracted per month instead of the land area. Similar to percent rent clauses, the lease rate is impacted by the business operations.

Royalty rates are typically a set dollar amount per ton reflecting the market price of the materials mined, the cost to establish the operation, cost to mine, and costs to bring the material to market. When negotiating a royalty rate agreement, operators look at the long-term cash flows from the operation to see what level of royalty rate they can support given the material available and market forecasts. Landowners similarly look at the long-term cash flows and primarily seek stable income streams.

While most royalty rates are set as a dollar per ton, they can be analyzed as a percentage of the market price of material. In some agreements, the rate is set as a percentage. For example, the Washington Department of Natural Resources (DNR) quotes their royalty rates as percentages of the market price per ton.

Royalty rates are paid per ton extracted and are often reflected as a percentage of the weighted average FOB product price. Typically, the ratio between the royalty rate and the product price ranges from 5% to 15% depending on the cost of extraction. Cost of extraction depends on the material being mined, the cost to establish the mining operation, and the cost to achieve market share. Higher extraction costs will lead to a lower royalty rate relative to the product price, and vice versa, lower extraction costs typically have higher royalty rates relative to the product pricing.

The Department of Natural Resources disclosed that their recent royalty agreements for gravel and sand pit sites in Western Washington have ranged from 11.5% to 12.5% of the price per ton. These agreements also included a minimum annual royalty rate and a backfill royalty rate ranging from 14.5% to 28% of the price per ton (\$1 to \$1.50 per ton).

The table below outlines the strengths, weakness, opportunities, and threats to the subject lease area that influence the valuation.



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**Valuation Influences**

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**Strengths**

- Established gravel pit with permit, studies, and majority of site work completed
- Good access to suitable roadways and Interstate 5 for hauling
- Access to active railway network for hauling
- Very large site with strong economies of scale

**Weaknesses**

- Aggregate not on WSDOT approved list
- Low density zoning lowers the potential future use
- Rural location without strong town attributes for residential future use
- Rural location less proximate than other available sites making industrial or other commercial use less feasible in the short to medium term. Potential very long term redevelopment as region grows

**Opportunities**

- Pits closer-in to Seattle are depleting. Thurston County is well located to absorb south-end demand
- Increasing development throughout the region
- WSDOT fish passage projects and road widening projects
- Desirable site for future conservation efforts once depleted

**Threats**

- High interest rate environments slowing private development and demand for construction materials
  - Critical areas and conservancy group opposition to current use, development or other changes in use
- 

The subject is a permitted and established gravel pit operation. The level of operation is low compared to the potential and some improvements will be required to support the expanded operation (such as a conveyor belt to move material across the site). The low cost to establish a new operation is a positive factor contributing to a higher royalty rate. However, the size of the operation will require time to gain market share. Additionally, the site has substantial mitigation requirements to maintain the critical areas.

There are a lot of opportunities in the subject market with the closer in pits depleting increasing demand for aggregate from pits outside of King County to serve demand in and around Seattle. Additionally, there are large WSDOT projects in the pipeline that will provide consistent demand. While there is some threat for decreased demand for aggregate in the private development sector as a result of the increased interest rates, WSDOT's projects and other public works projects are large enough to stabilize demand for aggregate in the region.

The subject aggregate has not been approved to supply WSDOT projects. To be approved, the aggregate will need to go through additional testing.

Overall, considering the above factors we would expect the subject lease area to have a royalty rate ratio towards the middle of the potential range of **12%** of the average product price.

### Average Product Price

The table below outlines the 2024 average product prices from aggregate suppliers around Western Washington.

<b>Market Average FOB Product Prices</b>	
Supplier, Location	Average Product Price per ton
Lake Francis Gravel, Maple Valley	\$16.35
Menzel Lake Gravel, Snohomish County	\$13.44
Reece Aggregates, Snohomish County	\$22.82
Iron Mountain Quarry, King County	\$21.85
Blake Pit, Port Angeles	\$17.80
Haller Quarry, Port Angeles	\$15.33
Princess Lane Pit, Port Angeles	\$13.60
South Airport Rd, Port Angeles	\$18.48
Hansen Pit, Port Angeles	\$12.75
Girard, Snohomish County	\$34.28
Average	\$18.67

The higher average prices reflect harder rock aggregates with higher extraction costs than sand and gravel. For the purpose of analysis starting in 2025, we consider \$14 per ton average product price to be reasonable for the subject material.

### Market Royalty Rate Conclusion

Based on the preceding analysis of comparable rentals and trends evident in the market, we conclude market lease terms for the subject as follows:

<b>Concluded Market Royalty Rate Terms</b>						
	Average Product Price	Royalty Percentage	Market Rent	Measure	Rent Escalations	Lease Type
Gravel Pit	\$14.00	12%	\$1.68	\$/ton	Annual PPI	Absolute Net

To support the conclusion, we also researched some existing royalty agreements; however, operators are holding this information closely, so these indications are older or in less comparable locations. Generally, the royalty agreements we are aware of range from about \$1 per ton to over \$2 per ton. Given this data, the subject market rent conclusion is well supported by the market.

Royalty agreements typically escalate annually or periodically based on price indexes such as the Producers Price Index (PPI) or the Consumer Price Index (CPI). Annual escalations with PPI are considered more appropriate considering the main buyers for the aggregate in the state. For the purpose of analysis, we use 3% annual escalations in the discounted cash flow analysis.

Like ground leases, royalty agreements are typically absolute net with the tenant covering all operating expenses and costs to establish the operation. In this case, the royalty rate is little higher since the owner paid for the permitting and completed a significant amount of the site work to establish the operation. In the discounted cash flow, landowner operating expenses are estimated as \$0 per year.

Royalty agreements also often have annual minimum royalty payments and/or annual extraction limits in order to even out cash flows over the lease term for the landlord. These ceilings are typically broad enough to allow the operator to respond to market fluctuations appropriately. In this case, the subject has an annual extraction limit of two million tons set by the permit.

### Reversion

The current value of the subject as though it has undergone reclamation is the value of the property for residential development. We use the value from Scenario 3 as the present value of the reversion. To project the value at the end of the cash flow, the value appreciates with the annual inflation rate for 20 years. We deduct for cost of sale (excise tax, commissions, and closing costs).

### Discount Rate Analysis

Discount rates for land extraction/development are typically higher than the benchmark rates for improved commercial properties due to the inherently riskier and speculative nature of land investments. Aggregates and mining are highly sensitive to local market conditions and operator adjust the amount they extract each year based on local demand. Since royalty rates are tied to the amount extracted, annual rental income is variable. As a result, discount rates for gravel pits must reflect the uncertainty of the annual income stream.

The following table summarizes land lease discount rates.

<b>Land Leases: Capitalization and Discount Rates</b>						
Property Type	Capitalization Rates			Discount Rates		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Apartments	4.38%	11.28%	8.70%	6.98%	11.78%	9.70%
Golf	5.10%	16.50%	10.81%	7.70%	17.00%	11.81%
Health Care/ Senior Housing	5.18%	12.58%	9.30%	7.78%	13.08%	10.30%
Industrial	4.95%	12.28%	9.09%	7.55%	12.78%	10.09%
Lodging	5.30%	16.35%	9.37%	7.90%	16.85%	10.37%
Mobile Home/RV Park	5.00%	14.98%	9.96%	7.60%	15.48%	10.96%
Office	4.95%	12.15%	8.85%	7.55%	12.65%	9.85%
Restaurant	5.40%	18.50%	10.75%	8.00%	19.00%	11.75%
Retail	4.65%	12.38%	9.25%	7.25%	12.88%	10.25%
Self-Storage	4.95%	12.38%	10.13%	7.55%	12.88%	11.13%
Special Purpose	5.34%	18.50%	10.92%	7.77%	20.54%	11.09%
All Properties	4.38%	18.50%	9.74%	6.98%	19.00%	10.62%
Source: RealtyRates.com Investor Survey Q1 2024						

Based on the Realty Rates Investor Survey from Q1 2024, discount rates for special purpose properties ranged from 7.77% to 20.54%, with an average of 11.09%.

Western Washington rates are typically towards the lower end of the national ranges. However, the subject is not located in a prime location in the region and Gravel operations have higher volatility than other special purpose uses. In addition, the permit is for 20 years, which is an aggressive timeline to fully deplete the mine. Overall, we conclude to a discount rate of 15% for the subject.

### Discounted Cash Flow

The table below outlines the discounted cash flow analysis. The analysis starts January 1, 2025, and runs for 20 years, the duration of the permit.

Discounted Cash Flow Analysis							
Discount Rate:		15%					
Inflation Rate:		3%		Present Value of Depleted Land:		\$4,900,000	
Year	Beginning Reserves (Tons)	Total Production (Tons)	Ending Reserves (Tons)	Aggregate Recycling (Tons)	Royalty Income (per Ton)	Royalty Income	Reversion Year 20
1	34,502,160	600,000	33,902,160	30,000	\$1.68	\$1,058,400	
2	33,902,160	780,000	33,122,160	39,000	\$1.73	\$1,417,198	
3	33,122,160	1,014,000	32,108,160	50,700	\$1.78	\$1,897,628	
4	32,108,160	1,318,200	30,789,960	65,910	\$1.84	\$2,540,923	
5	30,789,960	1,713,660	29,076,300	85,683	\$1.89	\$3,402,296	
6	29,076,300	2,000,000	27,076,300	100,000	\$1.95	\$4,089,919	
7	27,076,300	2,000,000	25,076,300	100,000	\$2.01	\$4,212,617	
8	25,076,300	2,000,000	23,076,300	100,000	\$2.07	\$4,338,995	
9	23,076,300	2,000,000	21,076,300	100,000	\$2.13	\$4,469,165	
10	21,076,300	2,000,000	19,076,300	100,000	\$2.19	\$4,603,240	
11	19,076,300	2,000,000	17,076,300	100,000	\$2.26	\$4,741,337	
12	17,076,300	2,000,000	15,076,300	100,000	\$2.33	\$4,883,577	
13	15,076,300	2,000,000	13,076,300	100,000	\$2.40	\$5,030,084	
14	13,076,300	2,000,000	11,076,300	100,000	\$2.47	\$5,180,987	
15	11,076,300	2,000,000	9,076,300	100,000	\$2.54	\$5,336,417	
16	9,076,300	2,000,000	7,076,300	100,000	\$2.62	\$5,496,509	
17	7,076,300	2,000,000	5,076,300	100,000	\$2.70	\$5,661,404	
18	5,076,300	2,000,000	3,076,300	100,000	\$2.78	\$5,831,246	
19	3,076,300	2,000,000	1,076,300	100,000	\$2.86	\$6,006,184	
20	1,076,300	1,076,300	0	100,000	\$2.95	\$3,465,251	\$8,300,000
Net Present Value							\$20,359,421
<b>Rounded</b>							<b>\$20,000,000</b>

**Scenario 1 – Gravel Pit Value Conclusion**

The values indicated by the preceding analyses are as follows:

<b>Summary of Value Indications</b>	
	Market Value - Scenario 1: Gravel Mining
Cost Approach	Not Used
Sales Comparison Approach	\$19,500,000
Income Capitalization Approach	\$20,000,000
Reconciled	\$20,000,000

Both approaches are well supported. A potential buyer would rely more on the indication from the Income Approach given the gravel mining use. Overall, the approaches support each other; however, primary weight is placed on the Income Capitalization Approach.

## Scenario 2 – Industrial Land Valuation

### Sales Comparison Approach

To develop an opinion of the subject's land value as if rezoned RRI allowing for industrial develop and as though vacant and available to be developed to its highest and best use, the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: Western Washington
- Size: 50+ acres
- Use: Industrial Redevelopment
- Transaction Date: Within five years of the date of value.

For this analysis, price per usable area is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. For the usable area, we use 497 acres, which is usable area described the mining permit. This area excludes all of the wetlands; however, with the addition of roads, some protected oak tree groves and other development mitigations, the actual buildable area is lower. Overall, this usable area of the subject is considered to be similar to the gross area of the comparables. We compare the subject's "usable area" to the gross area of the comparables.

The most relevant sales are summarized in the following table:

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**Summary of Comparable Land Sales - Scenario 2 - Industrial**


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No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land
1	Northpoint Arlington 16001 51st Ave. NE. Marysville	Jan-21 Closed	\$41,002,876	18,462,470 423.84	LI	\$2.22
<i>Comments: Assemblage of raw industrial land between Arlington and Marysville. Buyer is NorthPoint Development LLC, which plans to develop the property with a logistics warehouse park referred to as the NorthPoint Cascade Logistics Park. The plan is for phased development of nine warehouses totaling around 4 million square feet. The parcels were assembled from three sellers between January and March 2021.</i>						
2	Tumwater Corporate Park 2222 93rd Ave. SW. Olympia	Oct-21 Closed	\$23,000,000	3,618,094 83.06	LI	\$6.36
<i>Comments: This is the October 2021 sale of 83.06 acres of light industrial land for \$23,000,000, or \$6.36/Sf of land area. This property received a boundary line adjustment following the sale and is now made up of ten parcels. The property has a corner location and proximity to I-5. The property has since been developed with two large industrial buildings, each with about 200,000 SF of area. Additional development of the northern portion of this property has not yet occurred. All utilities were available to the property at the time of sale. Per the broker, this property had SEPA approval at the time of sale (State Environmental Policy Act), but additional expenses for off-site improvements were required. The property was approved to be developed with 1,105,242 SF over six buildings as an industrial park prior to the sale (but no permits were issued until after the sale). This property received Mitigated Determination of Non-significance (MDNS) through city of Tumwater prior to the sale. The existing/in-progress buildings are currently being leased, and the second phase of development will begin once this has occurred.</i>						

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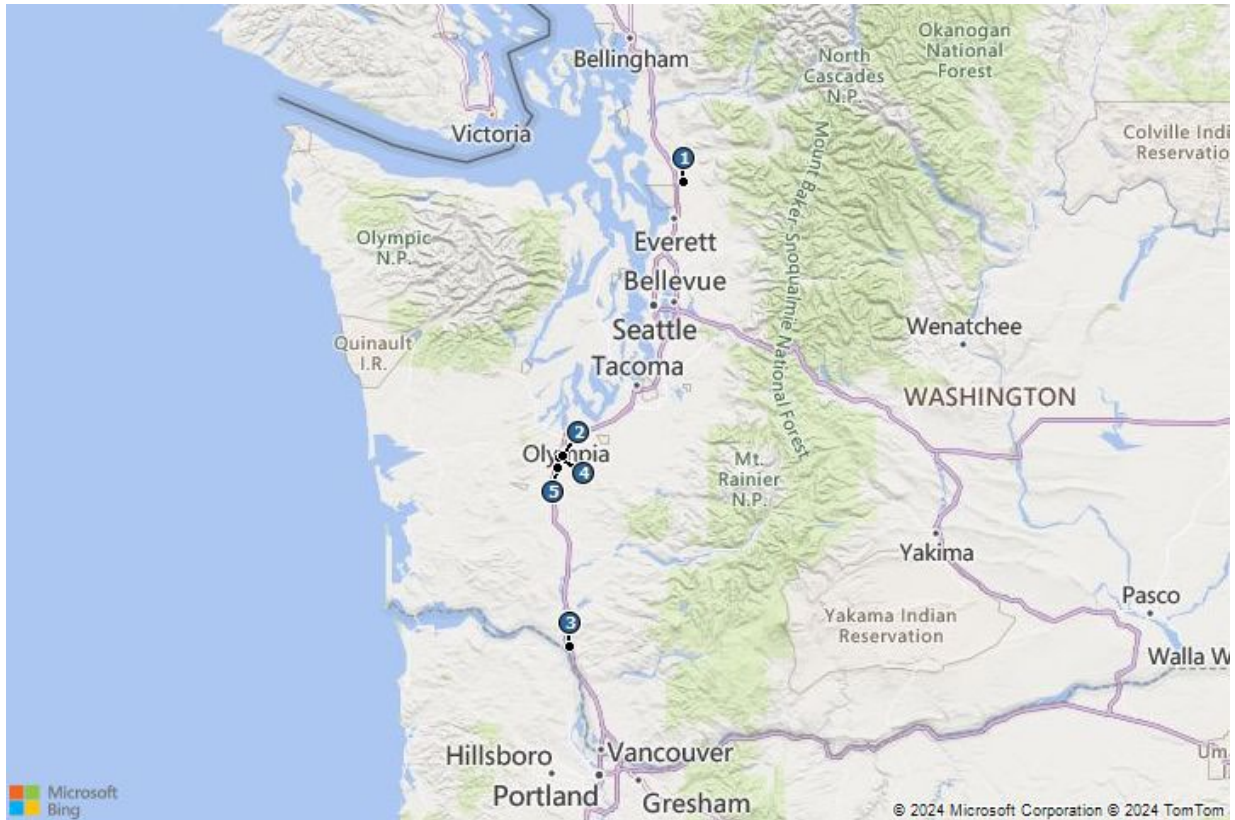
**Summary of Comparable Land Sales**


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No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land
3	Kelso Industrial State Route 432 Kelso	Jul-23 Closed	\$14,402,788	5,052,960 116.00	GC	\$2.85
	<i>Comments: Sale of 116 acres of industrial land in the southeastern corner of the interchange between State 432 and Interstate 5 in Kelso. The site is mostly level, at-grade, and cleared for development. The site has rail access as well as highway visibility. Purchased by an industrial development company for development.</i>					
4	Blomberg Street Land 9742 Blomberg St. SW. Tumwater	Jun-22 Closed	\$3,411,619	851,162 19.54	LI	\$4.01
	<i>Comments: This is the June 2022 sale of 19.54 acres of light industrial land for \$3,411,476, or \$4.01/Sf of land area. The property was originally listed for \$3,397,680. The property was reported to have a development potential of 320,000 - 340,000 SF of building area. Electricity and gas are available to the site, but sewer would need to be extended or a septic system installed. This property is about one mile from I-5. The proposed site plan included a 328,876 SF warehouse/industrial building at the center of the site, with parking around the perimeter and access from the western abutting roadway. This property is composed of two parcels, is heavily treed, and generally level, with a rectangular shape. The zoning allows for a height of 65 feet and a lot coverage of 85%.</i>					
5	Pegasus Maytown 3701 Maytown Rd.SW. Maytown	Mar-22 Closed	\$1,900,000	2,903,274 66.65	RRI	\$0.65
	Tax ID: 12605420100 and 1260540200					
	<i>Comments: Assemblage of land zoned RRI in Maytown at the I-5 interchange. Site has frontage on both Interstate 5 and Maytown Road SW. The property was purchased by a single buyer in two separate transactions from the same seller. The southern parcel, which is about 52 acre, sold for \$800,000 in July 2021. The fronting parcel that provides direct access to Maytown Road, is about 15 acres and sold for \$1,100,000 in March 2022. The site unimproved and wooded.</i>					
<b>Subject</b>				32,520,154	R 1/20	
Tilley Road Gravel Pit				746.56		
Tumwater, WA						

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## Comparable Land Sales Map





Sale 1  
Northpoint Arlington Assemblage



Sale 2  
Tumwater Corporate Park Land



Sale 3  
Kelso Industrial Development Site



Sale 4  
Blomberg Street Land



Sale 5  
Pegasus Maytown Industrial

Tilley Road Gravel Pit

### Qualitative Analysis of Sales

Qualitative analysis recognizes the inefficiencies of real estate markets and the difficulty of expressing adjustments with mathematical precision. Several techniques can be utilized in qualitative analysis including

- Relative comparison analysis;
- Ranking analysis;
- Personal interviews.

The comparable sales and subject property have been analyzed using one or more of these methods for each of the following elements of comparison.

<b>Adjustment Factors</b>	
Factor	Description
Transactional Adjustments	
Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Expenditures Made Immediately After Purchase	Demolition of existing structures, environmental remediation.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Property Adjustments	
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between site size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that can affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

### Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants, and restrictions (CC&Rs). All the comparables represent fee simple estate transactions and are similar to the subject.

**Financing**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed, and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, are similar to the subject.

**Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, the comparables are similar to the subject.

**Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. All of the sales consist of unimproved raw land. Thus, the comparables are similar to the subject.

**Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then the comparables are considered similar.

The interest rates have had the largest impact on market conditions. The transactions that sold prior to the interest hikes are considered superior, while market conditions since the rate increases have been relatively steady. No adjustments are made to the sales after March 2022.

**Location**

Sale 1 has a superior location in Arlington while Sale 3 has an inferior location in Kelso. The locations of the other sales are considered to be overall similar to the subject. The superior location in Arlington indicates downward adjustment, the inferior location in Kelso indicates upward adjustment, and similar locations indicate no adjustment.

**Access/Exposure**

Sales 2 and 3 have higher visibility situations with exposure on Interstate 5 and the interchange. A large downward adjustment is indicated for these two sales. Sale 5 does not have direct access to rail and has a creek running across the fronting parcel that may impact access to the remainder of the site from Maytown Road SW (there is secondary access available from the south). The remaining sales have similar quality access and exposure. No adjustments are made.

**Size**

The subject property is the largest of the comparisons. Sales 2, 3 and 5 are rated as superior requiring some downward adjustment. Sale 4 is rated as very superior due to its much smaller size and requires very large downward adjustment.

**Zoning**

All of the comparisons are similar and no adjustment for zoning is required.

**Entitlements**

Sale 2 sold with entitlements for industrial development and is rated as very superior to the subject and the other comparisons which are unentitled. Large downward adjustment to Sale 2 is necessary.

### Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

<b>Land Sales Adjustment Grid - Scenario 2 - Industrial</b>						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Tilley Road Gravel Pit	Northpoint Arlington Assemblage	Tumwater Corporate Park Land	Kelso Industrial Development Site	Blomberg Street Land	Pegasus Maytown Industrial
Address	13120 Tilley Road SW Tumwater	16001 51st Ave. NE. Marysville	2222 93rd Ave. SW. Olympia	State Route 432 Kelso	9742 Blomberg St. SW. Tumwater	3701 Maytown Rd.SW. Maytown
Sale Date		Jan-21	Oct-21	Jul-23	Jun-22	Mar-22
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$41,002,873	\$23,000,000	\$14,402,788	\$3,411,619	\$1,900,000
Effective Sale Price		\$41,002,876	\$23,000,000	\$14,402,788	\$3,411,619	\$1,900,000
Square Feet	32,520,154	18,462,470	3,618,094	5,052,960	851,162	2,903,274
Acres	746.56	423.84	83.06	116.00	19.54	66.65
Usable Square Feet	21,662,388	18,462,470	3,618,094	5,052,960	851,162	2,903,274
<b>Price per Usable Square Foot</b>		<b>\$2.22</b>	<b>\$6.36</b>	<b>\$2.85</b>	<b>\$4.01</b>	<b>\$0.65</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—	—	—
Financing Terms						
Ranking		—	—	—	—	—
Conditions of Sale		Assemblage		Arm's-length		Assemblage
Ranking		—	—	—	—	—
Expenditures Made Immediately After Purchase						
Ranking		—	—	—	—	—
Market Conditions	6/25/2024	Jan-21	Oct-21	Jul-23	Jun-22	Mar-22
Ranking		Superior	Superior	—	—	—
Location		Superior	—	Inferior	—	—
Access/Exposure		—	Very Superior	Very Superior	—	Inferior
Size		—	Superior	Superior	Very Superior	Superior
Shape and Topography		—	—	—	—	Inferior
Zoning		—	—	—	—	—
Entitlements		—	Very Superior	—	—	—
<b>Overall Ranking</b>		<b>Very Superior</b>	<b>Very Superior</b>	<b>Very Superior</b>	<b>Very Superior</b>	<b>Inferior</b>
<b>Indicated Value</b>		<b>\$1.50</b>				



## Ranking and Analysis

The final ranking of the comparables is presented in the following table.

<b>Ranking Analysis and Reconciliation - Scenario 2 - Industrial</b>			
Comparable No.	Overall Comparability	Price per Usable Square Foot	Estimated Value
5	Inferior	\$0.65	
Subject			\$1.50
1	Very Superior	\$2.22	
3	Very Superior	\$2.85	
4	Very Superior	\$4.01	
2	Very Superior	\$6.36	
Estimated Unit Value			\$1.50

The sales reflect a range of \$0.65 - \$6.36 per usable square foot, with an average of \$3.86 per usable square foot. Primary weight is given to Comparables 1 and 5, which are the most similar to the subject. We also consider that the subject received an offer from NorthPoint (the buyer of Sale 1) in 2019 of about \$24 million, or \$1.12 per square foot of development area; however, when this offer was made, the property was zoned R 1/20, which is the current zoning, but is inferior to the hypothetical industrial zoning appraised. The purchase fell through when the zoning failed to be changed and the pandemic started.

The comparisons are much higher than the subject due to their superior locations, smaller size and in some cases, entitlements. There are few recent sales of industrial sites like the subject in further out locations at the same scale. Overall, it is difficult to bracket the subject since it represents the low end of the range of industrial development sites.

Sale 5 represents the low end of the range. The proposed zoning for the subject is the same; however, as part of the zoning applications, the subject as well as other Maytown industrial owners are seeking to increase the intensity of use allowed in the RRI zone. This analysis assumes that the zoning is fully changed. Therefore, the subject zoning is considered superior to the zoning of Sale 5. Additionally, Sale 5 suffers from an inconveniently located creek near the street frontage and lacks direct rail access.

**Value Conclusion**

Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

<b>Land Value Conclusion</b>	
Indicated Value per Usable Square Foot	\$1.50
Subject Usable Square Feet	21,662,388
Indicated Value	\$32,493,582
Rounded	\$32,500,000

This value is based on the hypothetical condition that the zoning is changed to RRI, which will allow for higher intensity industrial use. However, based on the history of the subject application to change the zoning, public objection to the zoning change, and Thurston County planning documents, it is considered highly unlikely that this zoning change is approved until significantly more development has filled in superior locations.

## Scenario 3 – Residential Land Valuation

### Sales Comparison Approach

To develop an opinion of the subject's land value if developed for residential use (as if not permitted for mining) the sales comparison approach is used. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. The research focused on transactions within the following parameters:

- Location: Thurston County and Southern Pierce County
- Size: 50+ acres
- Use: Low density rural residential development
- Transaction Date: Within five years of the date of value

For this analysis, price per square foot is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.

The most relevant sales are summarized in the following table:

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**Summary of Comparable Land Sales - Scenario 3 - Residential**


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No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
1	Tenino 1,568 acres Old Highway 99 SE. Tenino Tax ID: 1262300-0400,-0500,-0600,-0700,-0800,-0900,-1500,-1600,-1800; 1262343-0100; 1262400-1100,-1200,-1300,-1400,-1900,-2000,-1000; 1262410-0100; 1262420-0200,-0300; 1262500-1900; 1262600-2500,-2700,-2600,-2800,-2900,-3000; 1262622-0000; 1262741-0000	Jun-21 Closed	\$12,870,000	68,302,080 1,568.00	R 1/20	\$0.19

*Comments: Over 1,500 acres of undeveloped land in Thurston County. Has views of both Mt. Rainier and Mt. St. Helens. The topography and vegetation consists primarily of rolling grassy meadows. There is a herd of elk that live on the property. About 90 acres of the property is located within the Tenino city limits and are zoned Master Planned Community. The acres that are considered prairies are eligible for the sale Pocket Gopher mitigation credits. The credits were valued between \$11,000 to \$14,000 in 2020. The property was listed in September 2020 and closed in June 2021. The property was purchased for 95% of asking by a conservation group that plans to sell the mitigation credits.*

2	Deschutes River 8535 Viewcrest Ln. SE. Olympia Tax ID: 57250000005 and 57250000011	Dec-22 Closed	\$1,500,000	15,994,360 367.18	RRR 1/5	\$0.09
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*Comments: Purchase of 367 acres of unimproved residential land for conservation. Site is a former farm with hay fields, timber, and wetlands. The buyer is the Olympia Coalition for Ecosystem Preservation, which intends to use the site for habitat conservation. The site has river frontage on the Deschutes River. The property was listed in February 2021 for \$2,000,000. The asking price was lowered to \$1,750,000 in August 2022 and the property went under contract in September 2022 before selling for 86% of the listing price.*

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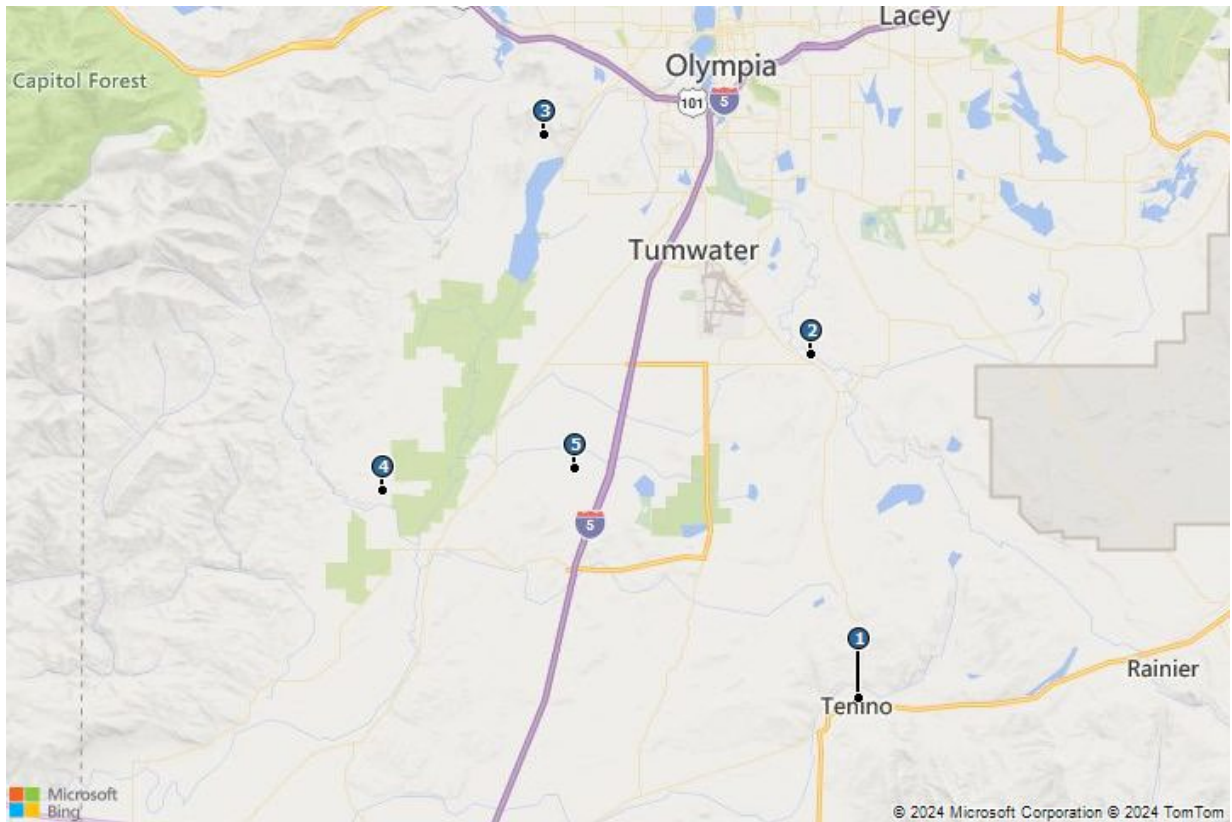
**Summary of Comparable Land Sales**


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No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
3	Tumwater 120 acre Site 3540 Black Lake Blvd. SW. Tumwater Tax ID: 12830410400	Jun-23 Closed	\$435,000	5,251,594 120.56		\$0.08
	<i>Comments: Sale of over 120 acres of unimproved wooded land. Part of the site is impacted by transmission line easement. Other parts of the site can support low density residential development. There is some merchantable timber on site, a creek, and trails. Sloped topography. Listed in April 2023 and closed by the end of May 2023. Sold for 87% of asking. Buyers planned to build a residence on the site and a disc golf course that would utilize the area under the Bonneville Transmission lines. Multiple competing offers.</i>					
4	115th Ave. SW 115th Ave. SW. Olympia Tax ID: 13734110100, 13734110200, and 13734110300	May-21 Closed	\$650,000	5,306,479 121.82	RRR 1/5	\$0.12
	<i>Comments: This 121.82-acre rural residential resource property sold in May 2021 for \$650,000 or \$4,925 per acre. Preliminary plans show 24 5-acre sites are possible, reflecting a price of \$27,083 per lot. The property is three 40-acre parcels that form a flag shape. The original sale shows one parcel, but it has since been split into three. There is a small area of wetlands, but the majority of the property is buildable. The broker reported that the buyer is a developer and purchased the property to develop 24 residential lots.</i>					
5	113th Ave. SW Land 113th Ave. SW. Olympia Tax ID: 12729340000	Oct-21 Closed	\$731,400	5,227,200 120.00	RRR 1/5	\$0.14
	<i>Comments: This 120-acre site sold in October 2021 for \$731,400 or \$6,095 per acre. There are two streams that cross the property, one along the north side and the other along the south side. These streams create wetland areas that reduce the usable site area to 96 acres reflecting a price of \$7,619 per usable acre. A preliminary plan estimates approximately 16 estate lots could be built reflecting a price of \$45,713 per lot. Wetland reconnaissance was complete but a gopher soils report would be necessary before building. At the time of the sale the property had a tax designation of Agriculture. The site is level pasture land that is lightly treed. Water rights and electricity were available but septic/sewer were not. Although the grantor and grantee have a similar name they are not related. The broker confirmed that this was an arm's length transaction and sold at the asking price. The buyer intends to use the property as a tree farm.</i>					
<b>Subject</b>				32,520,154	R 1/20	
Tilley Road Gravel Pit				746.56		
Tumwater, WA						

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## Comparable Land Sales Map





Sale 1  
Tenino 1,568 acres Conservation Land



Sale 2  
Deschutes River Preservation Site



Sale 3  
Tumwater 120 acre Site



Sale 4  
115th Ave. SW



Sale 5  
113th Ave. SW Land

Tilley Road Gravel Pit

### Qualitative Analysis of Sales

Qualitative analysis recognizes the inefficiencies of real estate markets and the difficulty of expressing adjustments with mathematical precision. Several techniques can be utilized in qualitative analysis including

- Relative comparison analysis;
- Ranking analysis;
- Personal interviews.

The comparable sales and subject property have been analyzed using one or more of these methods for each of the following elements of comparison.

<b>Adjustment Factors</b>	
Factor	Description
<b>Transactional Adjustments</b>	
Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Expenditures Made Immediately After Purchase	Demolition of existing structures, environmental remediation.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
<b>Property Adjustments</b>	
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between site size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that can affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.



**Real Property Rights Conveyed**

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants, and restrictions (CC&Rs). All the comparables represent fee simple estate transactions and are similar to the subject.

**Financing**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed, and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, are similar to the subject.

**Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, the comparables are similar to the subject.

**Expenditures Made Immediately After Purchase**

This category considers expenditures incurred immediately after the purchase of a property. All of the sales consist of unimproved raw land. Thus, the comparables are similar to the subject.

**Market Conditions**

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then the comparables are considered similar.

The interest rates have had the largest impact on market conditions. The transactions that sold prior to the interest hikes are considered superior, while market conditions since the rate increases have been relatively steady. No adjustments are made to the sales after March 2022.

**Location**

The locations of the sales are all similar to the subject. No adjustments necessary.

**Access/Exposure**

The access and exposure of the sales are all similar to the subject. No Adjustments necessary.

**Size**

The subject is considered to be similar in size to Sales 1 and 2 requiring no adjustment. Sales 3, 4 and 5 are all smaller than the subject and rated as superior, requiring downward adjustment.

**Shape and Topography**

Sales 2 and 3 have critical areas and/or easements that impact the buildable area more than the subject is impacted by wetlands. These properties are considered to be very inferior and require upward adjustment. The other sales are considered similar and do not require adjustment.

**Zoning and Entitlements**

The zoning and the entitlement status of the comparables is considered to be overall similar to the subject and does not require significant adjustment.

### Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

<b>Land Sales Adjustment Grid - Scenario 3 - Residential</b>						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Tilley Road Gravel Pit	Tenino 1,568 acres Conservation Land	Deschutes River Preservation Site	Tumwater 120 acre Site	115th Ave. SW	113th Ave. SW Land
Address	13120 Tilley Road SW	Old Highway 99 SE.	8535 Viewcrest Ln. SE.	3540 Black Lake Blvd. SW.	115th Ave. SW.	113th Ave. SW.
City	Tumwater	Tenino	Olympia	Tumwater	Olympia	Olympia
Sale Date		Jun-21	Dec-22	Jun-23	May-21	Oct-21
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$12,870,000	\$1,500,000	\$435,000	\$650,000	\$731,400
Square Feet	32,520,154	68,302,080	15,994,360	5,251,594	5,306,479	5,227,200
Acres	746.56	1,568.00	367.18	120.56	121.82	120.00
<b>Price per Square Foot</b>		<b>\$0.19</b>	<b>\$0.09</b>	<b>\$0.08</b>	<b>\$0.12</b>	<b>\$0.14</b>
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Ranking		—	—	—	—	—
Financing Terms						
Ranking		—	—	—	—	—
Conditions of Sale		Arm's-length				
Ranking		—	—	—	—	—
Expenditures Made Immediately After Purchase						
Ranking		—	—	—	—	—
Market Conditions	6/25/2024	Jun-21	Dec-22	Jun-23	May-21	Oct-21
Ranking		Superior	—	—	Superior	Superior
Location		—	—	—	—	—
Access/Exposure		—	—	—	—	—
Size		—	—	Superior	Superior	Superior
Shape and Topography		—	Very Inferior	Very Inferior	—	—
Zoning		—	—	—	—	—
Entitlements		—	—	—	—	—
<b>Overall Ranking</b>		<b>Superior</b>	<b>Very Inferior</b>	<b>Inferior</b>	<b>Very Superior</b>	<b>Very Superior</b>
<b>Indicated Value</b>		<b>\$0.15</b>				

### Ranking and Analysis

The final ranking of the comparables is presented in the following table.

<b>Ranking Analysis and Reconciliation - Scenario 3 - Residential</b>			
Comparable No.	Overall Comparability	Price per Square	
		Foot	Estimated Value
2	Very Inferior	\$0.09	
3	Inferior	\$0.08	
Subject			\$0.15
1	Superior	\$0.19	
4	Very Superior	\$0.12	
5	Very Superior	\$0.14	
Estimated Unit Value			\$0.15

The sales reflect a range of \$0.08 - \$0.19 per square foot, with an average of \$0.12 per square foot. The value indications derived from the comparables bracket the subject property. Primary weight is given to Comparables 1 and 2, with the majority of the weight put on Sale 1.

Based on the preceding analysis, the land value conclusion for the subject is presented as follows:

<b>Land Value Conclusion</b>	
Indicated Value per Square Foot	\$0.15
Subject Square Feet	32,520,154
Indicated Value	\$4,878,023
Rounded	\$4,900,000

## Reconciliation and Conclusion of Value

In scenario 1 we reconciled between the sale comparison approach and the income approach. Due to the income stream from the potential royalty agreement for gravel mining, the income approach is given the most weight.

For scenarios 2 and 3, the sale comparison approach is the only and the most reliable approach to value. Overall, the analysis yielded reliable results. The values indicated by the preceding analyses are as follows:

<b>Value Conclusions</b>			
	Interest Appraised	Date of Value	Value Conclusion
Market Value - Scenario 1: Gravel Mining	Fee Simple	June 25, 2024	\$20,000,000
Market Value - Scenario 2: Industrial Development	Fee Simple	June 25, 2024	\$32,500,000
Market Value - Scenario 3: Residential Development	Fee Simple	June 25, 2024	\$4,900,000

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Scenario 1 is based on the extraordinary assumption that the existing gravel mining Special Use Permit and all other associated permits are extended for another 20 years so that mining can commence as of January 1, 2025 and extend until December 31, 2044. It is assumed that the language and requirements of the permits will remain the same as the existing permits.

The value conclusions are based on the following hypothetical conditions. 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.

1. Scenario 2 is based on the hypothetical condition that 500 acres of the site is rezoned to allow for industrial use and the remainder of the site is used for wildlife habitat.
2. Scenario 3 is based on the hypothetical conditions that the the highest and best use as of the date of value is for residential development.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

## Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. 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 and Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Lucy Jones has not made a personal inspection of the property that is the subject of this report. Lori E. Safer, MAI, AI-GRS has personally inspected the subject. Matt Bacon, MAI has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Lori E. Safer, MAI, AI-GRS and Matt Bacon, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
15. As of the date of this report, Lucy Jones has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.



Lucy Jones  
Washington General Real Estate Appraiser  
#22026746



Lori E. Safer, MAI, AI-GRS  
Washington Certified General Real Estate  
Appraiser #1100546



Matt Bacon, MAI  
Washington Certified General Real Estate  
Appraiser #1101674

## **Addendum A**

### **Appraiser Qualifications**



## About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

*Local Expertise...Nationally!*

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## **Addendum B**

### **IRR Quality Assurance Survey**

## IRR Quality Assurance Survey

### **We welcome your feedback!**

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

### **Integra Quality Control Team**

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: [quality.irr.com](https://quality.irr.com)

## **Addendum C**

### **Definitions**

## Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

### **As Is Market Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

### **Disposition Value**

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

### **Effective Date**

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

### **Entitlement**

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

**Entrepreneurial Incentive**

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

**Entrepreneurial Profit**

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

**Exposure Time**

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

**Fee Simple Estate**

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.

**Floor Area Ratio (FAR)**

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

**Highest and Best Use**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

**Investment Value**

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

**Lease**

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

**Leased Fee Interest**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold Estate**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**Liquidation Value**

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

**Marketing Time**

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

**Market Value**

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

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

**Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

**Retrospective Value Opinion**

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”



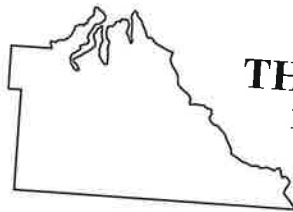
## **Addendum D**

### **Property Information**

OLD  
REPUBLIC  
NATIONAL  
TITLE  
INSURANCE  
COMPANY

Maytown Land 12602340100

COMMITMENT FOR TITLE INSURANCE  
ISSUED BY



**THURSTON COUNTY TITLE COMPANY**  
105 EAST 8TH AVENUE OLYMPIA, WA 98501  
(360) 943-7300 FAX (360) 786-9315

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

This Commitment shall not be valid or binding until countersigned by a validating officer or authorized signatory.

IN WITNESS WHEREOF, Old Republic National Title Insurance Company, has caused its corporate name and seal to be affixed by its duly authorized officer and signatory on the date shown in Schedule A.

By



President

Attest



Secretary

**Received**

**JUL 24 2014**

**Thurston County Treasurer**

Authorized Signatory

**Thurston County Title Company**

Company

**Olympia, Washington**

City, State

## CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org/>.

**THURSTON COUNTY  
TITLE COMPANY**

105 8th Ave SE  
Olympia, WA 98501

TELEPHONE (360) 943-7300  
ESCROW FAX (360) 357-8562  
TITLE FAX (360) 786-9315

Agent for  
**Old Republic National Title Insurance Company**  
ALTA COMMITMENT

**Schedule A**

Title Order No.: **169707**

Title Officer: **Nancy Moore**  
Escrow Officer: **None**  
Ref: **Maytown Sand & Gravel LLC**

To: **THURSTON COUNTY TREASURER  
2000 LAKERIDGE DR SW  
OLYMPIA, WA 98502**  
Attn: **ERIC SULLIVAN**  
Ref. No **12602340100/Maytown Sand &  
Gravel LLC**

1. Effective Date: **July 11, 2014 at 8:00 a.m.**

2. Policy or policies to be issued:

- |   |                            |
|---|----------------------------|
| a. <b>ALTA 2006 Standard Owner's Policy</b>           | Amount <b>\$230,353.47</b> |
| Proposed Insured:<br><b>THURSTON COUNTY TREASURER</b> |                            |
| b. <b>None</b>  | Amount \$                  |
| Proposed Insured:                                     |                            |
| c. <b>None</b>  | Amount \$                  |
| Proposed Insured:                                     |                            |

**PREMIUM INFORMATION:**

a. <b>Work Charge</b>	\$	Tax: \$	Total: \$
b.	\$	Tax: \$	Total: \$
c.	\$	Tax: \$	Total: \$

3. The estate or interest in the land described herein and which is covered by this commitment is:  
**Fee**

4. The estate or interest referred to herein is at Date of Commitment vested in:

**PORT OF TACOMA, a Washington Port District**

5. The land referred to in this Commitment is situated in the County of **THURSTON**, State of Washington and is more fully described as follows:

**See Exhibit A attached hereto and made a part hereof.**

## SCHEDULE B - SECTION I

### Requirements:

1. Instruments creating the estate or interest to be insured must be approved and filed of record.
2. Payment of cancellation fee in accordance with our filed rate Schedule, to be imposed if this transaction is canceled for any reason.
3. This Commitment shall not obligate the Company to issue any Endorsement. All Endorsements to be issued must be agreed to by the Company and appropriate for the estate insured.
4. Any sketch or map enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the Company assumes no liability for any loss occurring by reason of reliance thereon.
5. A legal description was not included in the application for title insurance. The legal description contained herein was taken from the record and presumed intention of the parties to the transaction. Said description must be examined and approved by all parties prior to closing.
6. Evidence of the identity and authority of the authorized signatories of Port of Tacoma, a Washington Port District, to execute the forthcoming instrument should be submitted.
7. Evidence of the identity and authority of the members of Maytown Sand & Gravel, LLC, a Washington limited liability company, to execute the forthcoming instrument should be submitted.

## SCHEDULE B - SECTION II

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

### GENERAL EXCEPTIONS:

- A. Rights or claims disclosed only by possession, or claimed possession, of the premises.
- B. Encroachments, overlaps, boundary line disputes which would be disclosed by an accurate survey or inspection of the premises.
- C. Easements, prescriptive rights, rights-of-way, streets, roads, alleys or highways not disclosed by the public records.
- D. Any lien, or right to a lien, for contributions to employees benefit funds, or for state workers' compensation, or for services, labor or material heretofore or hereafter furnished, all as imposed by law and not shown by the public records.
- E. Underground easements, servitudes or installations of which no notice is of record.
- F. General taxes not now payable; matters relating to special assessments and special levies, if any, preceding the same becoming a lien.
- G. Any service, installation, connection, maintenance, or construction charges for sewer, water, electricity, natural gas or other utilities or garbage collection and disposal.
- H. Reservations or exceptions in United States Patents or in Acts authorizing the issuance thereof.
- I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- J. Water rights, claims or title to water.
- K. Defects, liens encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

### SPECIAL EXCEPTIONS:

1. Delinquent taxes for the years 2011, 2012, 2013, and 2014 in the amount of \$230,353.47, which includes interest and penalties through June 2014, together with cost of foreclosure. Tax Account No. 126-02-340100. (Area Code 540)
2. Lien of real estate excise tax upon any sale of said premises, if unpaid.

Note: Excise tax of 1.78% is due on the sales price of all property in Thurston County except Yelm tax code areas 170 and 171, and Rainier tax code 310, where it is 1.53%.

3. Pendency of Thurston County Superior Court Cause No. 14-2-01058-1, Thurston County, Plaintiff, vs. Maytown Sand & Gravel LLC, et al, Defendant, an action to foreclose on tax liens shown in Paragraph 1. Attorney for Plaintiff: Jon Tunheim.

4. A Real Estate Contract, Security Agreement, Financing Statement and Fixture Filing, including the terms, covenants and provisions thereof, and the effect of any failure to comply with such terms, covenants and provisions;

Dated: April 1, 2010

Recorded: April 1, 2010

File No.: 4144036

Vendor: Port of Tacoma, a Washington Port District

Vendee: Maytown Sand & Gravel, LLC, a Washington limited liability company

Excise Tax

Receipt No.: 511215

Said contract modified by Assignment and Conveyance Agreement dated April 1, 2010 and recorded April 1, 2010 under Auditor's File No. 4144037, entered into by and between Port of Tacoma and Maytown Sand & Gravel, LLC.

5. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on August 11, 1923, under Auditor's File No. 130861, to Puget Sound Power & Light Company, a corporation.
6. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on December 16, 1941, under Auditor's File No. 361155, to Puget Sound Power & Light Company, a corporation.
7. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on August 24, 1945, under Auditor's File No. 396618, to Puget Sound Power & Light Company, a corporation.
8. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on December 17, 1956, under Auditor's File No. 605087, to Puget Sound Power & Light Company, a corporation.
9. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on January 5, 1959, under Auditor's File No. 605712, to Puget Sound Power & Light Company, a corporation.
10. Reservation of all oil, gas and other minerals and mineral rights, whether metallic or non-metallic, with provisions regarding access to and from said lands for the purpose of drilling, exploring and mining, and in every way operating for such minerals and removing the same; also, provisions for reasonable compensation for damages; all as contained in deed executed by A.D Campbell and Marjorie G. Campbell, husband and wife, recorded January 17, 1961, under Auditor's File No. 637274.
- Said mineral rights were conveyed to Robert M. Campbell by deed recorded April 9, 1968, under Auditor's File No. 779264.
11. Easement for road purposes 20 feet in width as set out in deed recorded March 28, 1963 under Auditor's File No. 675706; the exact location of the then existing road undisclosed.
12. Easement for road purposes 30 feet in width as set out in deed recorded May 11, 1964 under Auditor's File No. 696814. Said easement may have merged with the fee title herein.

13. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on August 3, 1967, under Auditor's File No. 765765, to Puget Sound Power & Light Company, a corporation.
14. Easement for electric transmission and distribution line, etc., together with necessary appurtenances, granted by instrument recorded on May 1, 1970, under Auditor's File No. 821304, to Puget Sound Power & Light Company, a corporation.
15. Rights, if any, for utilities which may have been granted by Thurston County or obtained by users of vacated Beaver Creek Road and vacated Tilley Road, previous to the vacation thereof, as set out in orders vacating said roads, as recorded October 14, 1981 and November 6, 1981 under respective Auditor's File Nos. 8110140025 and 8111060007.
16. Matters disclosed by survey recorded January 20, 1995 under Auditor's File No. 9501200029.
17. Matters disclosed by survey recorded July 21, 1998 under Auditor's File No. 3167337.
18. Rights of users in gravel lane, for access or existing utilities, said lane delineated on the face of survey recorded July 21, 1998 under Auditor's File No. 3167337.
19. Wetlands and Native Outwash Prairie Boundary, as delineated on the face of survey recorded July 21, 1998 under Auditor's File No. 3167337.
20. Questions arising due to conflicting historic record descriptions of vacated Old Tilley Road, as recited on the face of survey recorded July 21, 1998 under Auditor's File No. 3167337.
21. Matters shown on the face of survey recorded January 23, 2003 under Auditor's File No. 3497251, and as modified by instrument recorded May 25, 2006 under Auditor's File No. 3834793.
22. Terms, conditions, notices, and agreements contained in Settlement Agreement entered into by and between Allen & Company, LLC, agent for Citifor, Inc., and Black Hills Audubon Society, as recorded March 7, 2006 under Auditor's File No. 3813117.
23. Grant of Easement for Access and Utilities, as recorded May 25, 2006 under Auditor's File No. 3834793, providing for a 60 foot wide roadway, with provisions for maintenance and restrictions on use as set out therein.
24. Interlocal Agreement recorded December 26, 2006 under Auditor's File No. 3890297, entered into by and between Port of Olympia and Port of Tacoma; First Amendment thereto recorded December 7, 2007 under Auditor's File No. 3976078. Said agreement may have expired, according to its terms.
25. Matters disclosed by survey recorded May 29, 2008 under Auditor's File No. 4013615.
26. Rights of users in paved and gravel roadway for access or existing utilities, said roadway delineated on the face of survey recorded May 29, 2008 under Auditor's File No. 4013615; also, possible encroachments of roadway or concrete pad, as delineated on said survey.
27. Environmental Covenant recorded March 12, 2010 under Auditor's File No. 4140810, entered into by and between Port of Tacoma and State of Washington, Department of Ecology.
28. Questions arise as to the exact location or identification of an existing fence contained within the legal description to Parcel G described herein.



29. Any questions or disputes arising due to the differing manners of historic record descriptions in the chain of title to that portion of said premises described as Parcels B, E, F and G herein and adjacent parcels.
30. Right, title and interest of Thurston County or users of 131<sup>st</sup> Avenue SE, if any portion of said road crosses the properties described herein.
31. Notwithstanding Paragraph 4 of the insuring clauses of the policy or policies to be issued, the policy or policies will not insure against loss arising by reason of any lack of a right of access to and from the land over and across the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right of way.

End of Schedule B Exceptions.

NOTES:

- a) The liability shown in Schedule A is based upon the amount of delinquent taxes, interest and penalties at the date of this report. The coverage provided herein will be adjusted at the time of the sale to reflect the current taxes plus costs of foreclosure.

- b) According to the records of Thurston County Assessor, the current value of said premises is as follows:

Tax Account No.:	126-02-340100
Land:	\$ 3,604,200.00
Improvements:	\$ 0.00
Total:	\$ 3,640,200.00

- c) The following abbreviated legal description is provided as a courtesy to enable the document preparer to conform with the requirements of RCW 65.04.045, pertaining to standardization of recorded documents.

Abbreviated Legal Description: SW 1/4 of NE 1/4 & SE 1/4 of NE 1/4 & ptns. NE 1/4 of SW 1/4 & NW 1/4 of SW 1/4, SW 1/4 of SW 1/4 & SE 1/4 of SW 1/4, NE 1/4 of SE 1/4 & NW 1/4 of SE 1/4 & SW 1/4 of SE 1/4, all in 1-16-2W; Ptns. NE 1/4 of SE 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4, SE 1/4 of SE 1/4, NE 1/4 of SW 1/4, NW 1/4 of SW 1/4, SW 1/4 of SW 1/4 & SE 1/4 of SW 1/4, all in 2-16-2W; Ptns. NE 1/4 of SE 1/4 & SE 1/4 of SE 1/4 in 3-16-2W; Ptns. NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SW 1/4 of NE 1/4, SE 1/4 of NE 1/4, NE 1/4 of NW 1/4, NW 1/4 of NW 1/4 & SE 1/4 of NW 1/4, all in 11-16-2W; Ptns. NW 1/4 of NE 1/4, NE 1/4 of NW 1/4, NW 1/4 of NW 1/4, SW 1/4 of NW 1/4 & SE 1/4 of NW 1/4, all in 12-16-2W

s/i  
Restrs/attd  
NM/meh  
2xc: Thurston County Treasurer / Olympia / Eric Sullivan

**Exhibit A**

That portion of the following described Parcels A, B, D, E, F, G and H lying within Sections 1, 2, 3, 11 and 12 of Township 16 North, Range 2 West, W.M., lying Southerly and Westerly of a line described on page 3 of 3 of Survey recorded May 29, 2009 under Auditor's File No. 4013615 and EXCEPTING any portion which may lie within Tract 34 of Survey recorded January 23, 2003 under Auditor's File No. 3497251:

**Parcel A:**

That part of the Southwest quarter of the Southwest quarter of Section 1, that part of the Southeast quarter of Section 2 and that part of the North half of the Northeast quarter of Section 11, Township 16 North, Range 2 West, W.M., described as follows:

Beginning at a point on the South line of said Section 2 that is North 89°28' West 529.50 feet from it Southeast corner; thence South 54°32' West 391 feet; thence North 55°23' West 205.90 feet; thence South 85°30' West 684.40 feet; thence North 4°30' West 750 feet; thence North 85°30' East 500 feet; thence North 4°40' West 815.20 feet to the Southerly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right of way; thence South 82°26' East, along said Southerly line of the right of way, 2,088.36 feet, thence South 4°05' West 674 feet; North 85°55' West 366.30 feet; thence South 62°32' West 583.50 feet; thence South 54°32' West 423.40 feet to the point of beginning.

**Parcel B:**

That part of the Northwest quarter of the Southwest quarter of Section 2, Township 16 North, Range 2 West, W.M., described as follows:

Beginning at a point that is North 49°16'30" West 2,133.40 feet from the South quarter corner of said Section 2; thence North 0°20' East 396.20 feet to the Southerly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right of way; thence North 83°10' West, along said Southerly line of said right of way, 572 feet to the Easterly line of vacated county road formerly known as Old Tilley Road as vacated by Thurston County Commissioners as evidenced by instruments recorded November 6, 1981 under Auditor's File Nos. 8111060005 and 8111060007; thence South 10°43' West, along said Easterly line, 247.10 feet; thence South 33°06' West 257.90 feet; thence South 89°40' East 755.60 feet to the point of beginning.

**Parcel D:**

One acre, in a square form, in the Southwest corner of the Southwest quarter of the Northeast quarter, all of the Northwest quarter, and the Northwest quarter of the Southeast quarter of Section 11, Township 16 North, Range 2 West, W.M. EXCEPTING THEREFROM that part of the Southwest quarter of said Northwest quarter of Section 11, lying Southwesterly of a line described as beginning at a point on the West line of said Southwest quarter of the Northwest quarter that is 157 feet North of its Southwest corner; thence Southeasterly to a point on the South line of said subdivision that is 136 feet Easterly of its Southwest corner.

**Parcel E:**

The South half of the Northeast quarter and the South half of Section 1, that part of the South half of Section 2, lying Easterly of county road known as Old Tilley Road (as located in 1920), the

Northeast quarter and the Northeast quarter of the Southeast quarter of Section 11, and the North half of the North half of the Southwest quarter of Section 12, Township 16 North, Range 2 West, W.M.; EXCEPTING THEREFROM tracts already owned by Hercules Powder Company, as shown by deeds recorded May 11, 1964 and August 25, 1964 under Auditor's File Nos. 696814 and 702568, respectively;

AND EXCEPT a 100 foot wide right of way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company (also known as the Old Chicago, Milwaukee and St. Paul Railroad); ALSO EXCEPT that portion of the North half of the Southwest quarter lying Northerly of said railroad right of way;

TOGETHER WITH that part of vacated road adjoining, which upon vacation attached to said property by operation of law.

Parcel F:

That part of the West half of the Southwest quarter of Section 2, Township 16 North, Range 2 West, W.M., lying Westerly of county road known as Old Tilley Road and South of a line running North  $89^{\circ}39'20''$  East from a point on the West line of said Section 2 that is North  $0^{\circ}09'02''$  East 1,373.17 feet from its Southwest corner. TOGETHER WITH that part of the vacated road adjoining, which upon vacation, attached to said property by operation of law.

Parcel G:

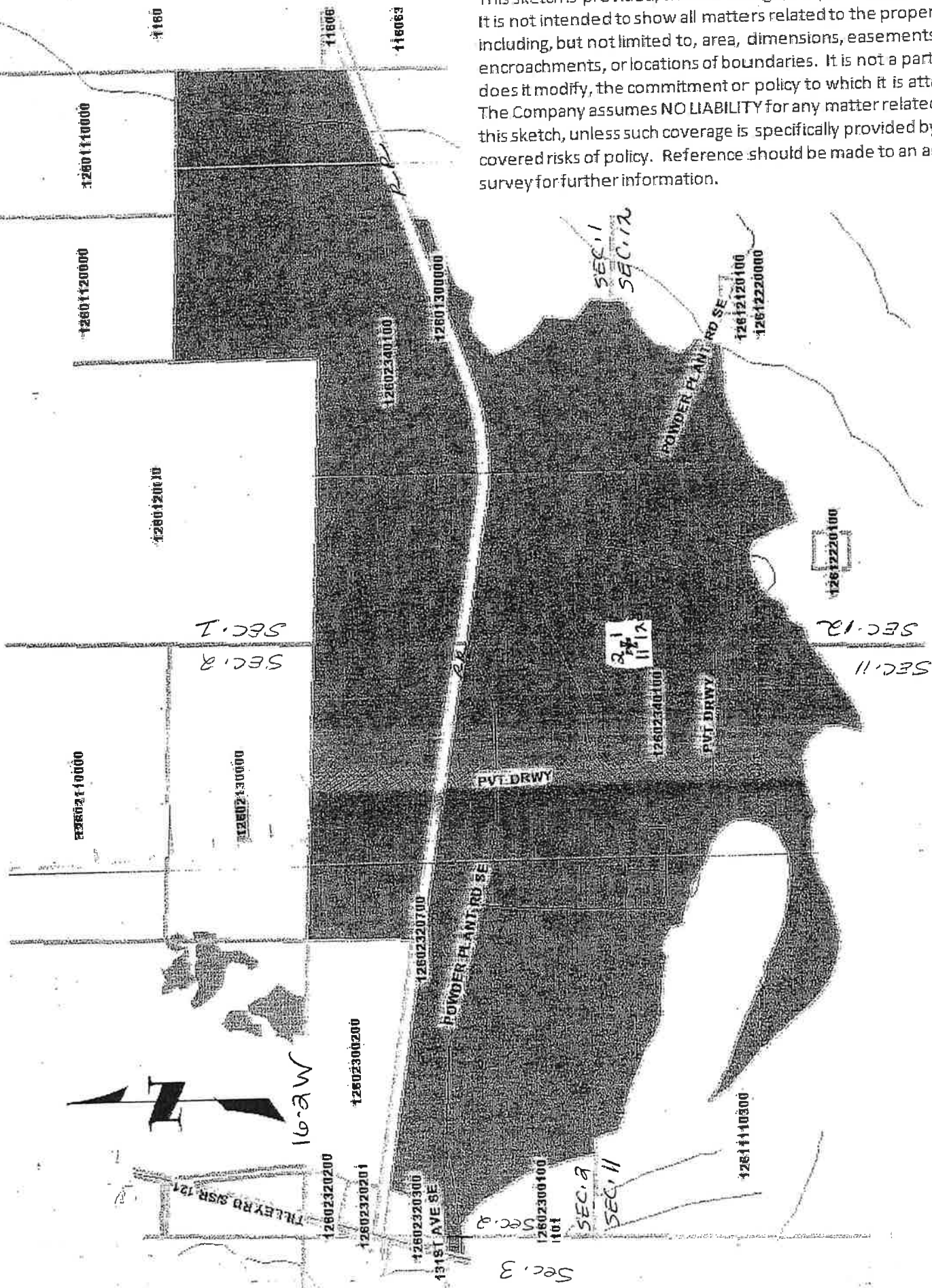
That part of the East half of the Southeast quarter of Section 3, Township 16 North, Range 2 West, W.M., lying Northwesterly of county road known as Old Tilley Road and South of a line running South  $87^{\circ}39'20''$  West from a point on the East line of said Section 3, North  $0^{\circ}08'02''$  East 1,373.17 feet from its Southeast corner and East of the existing fence located approximately 8 feet West of said of said East line of said Section 3. TOGETHER WITH that part of the vacated road adjoining, which upon vacation, attached to said property by operation of law.

Parcel H:

That part of the East half of Southeast quarter of Section 3, Township 16 North, Range 2 West, W.M., lying Easterly of county road known as Tilley Road. TOGETHER WITH that part of the vacated road adjoining, which upon vacation, attached to said property by operation of law; EXCEPTING THEREFROM that portion conveyed to Ivan Rogers by deed recorded April 4, 2007 under Auditor's File No. 3916190.

In Thurston County, Washington.

Sec. 3



# **THURSTON COUNTY TITLE COMPANY**

## **Privacy Policy Notice**

### **PURPOSE OF THIS NOTICE**

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **Thurston County Title Company**

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.

- Information about your transactions we secure from our files, or from our affiliates or others.

- Information we receive from a consumer reporting agency.

- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

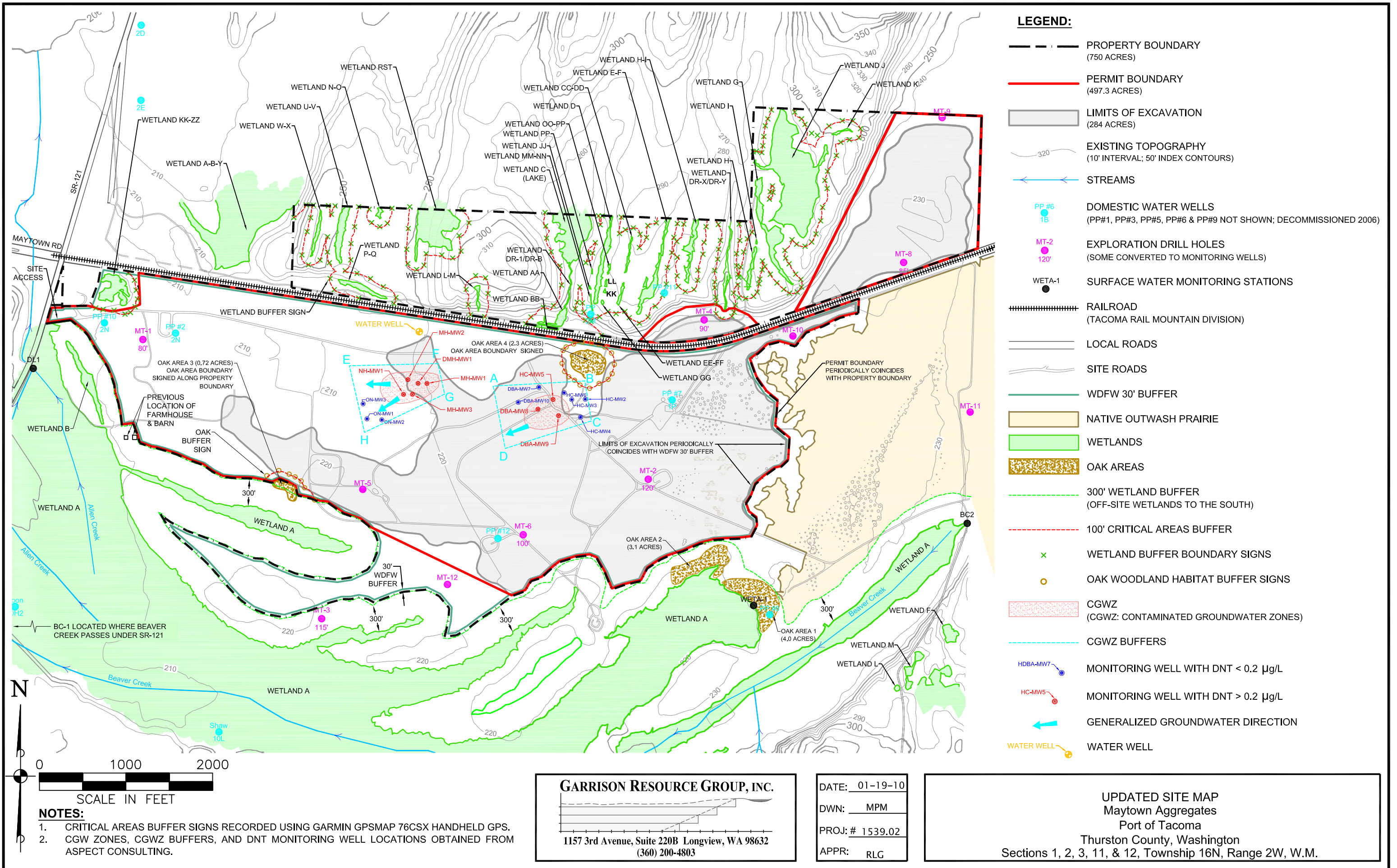
Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates as permitted by law.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.





**PORT OF TACOMA**  
**MAYTOWN AGGREGATES**  
**SURFACE MINE RECLAMATION PERMIT**  
**APPLICATION**

**DNR PERMIT #70-013010**

*Location:*  
**Thurston County, Washington**

*Requested By:*  
**Port of Tacoma**  
**P.O. Box 1837**  
**Tacoma, WA 98401-1837**

*Project Management By:*  
**Garrison Resource Group, Inc.**  
**1157 3rd Avenue, Suite 220 B**  
**Longview, WA 98632**  
**(360) 200-4803**

*Originally Prepared By:*  
**Ecological Land Services, Inc.**  
**1157 3<sup>rd</sup> Avenue, Suite 220**  
**Longview, WA 98632**  
**August 2007**

***GRG Project # 1539.02***



WASHINGTON STATE DEPARTMENT OF  
**Natural Resources**

DOUG SUTHERLAND  
Commissioner of Public Lands

September 19, 2007

Port of Tacoma  
P. O. Box 1837  
Tacoma, WA 98401-1837

**RE: Surface Mining Reclamation Permit Number 70-013010**

Ladies and Gentlemen:

Enclosed is Surface Mining Reclamation Permit Number 13010, which authorizes surface mining reclamation within a 497.3-acre permit area located in portions of Sections 1, 2, 11 and 12 in Township 16 North, Range 02 West, Willamette Meridian, Thurston County. Please refer to the permit number listed above when submitting inquiries or reports.

RCW 78.44 requires that reclamation of each segment of the permitted area shall be completed within two years of cessation of mining in that segment. We strongly recommend, however, that reclamation of each segment occur concurrent with the removal of the minerals.

You are required to mail a Permit-Fee Invoice and Reclamation Report (Form SM-7) annually to: Washington Department of Natural Resources. The form must be completed and returned to the department with the appropriate annual permit fee prior to the anniversary date of the permit.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew I. Brookshier", written over a horizontal line.

Matthew I. Brookshier  
Surface Mining Reclamation Program  
Division of Geology & Earth Resources

Enclosures

c: Thurston County Planning  
File No. 70-013010



WASHINGTON STATE DEPARTMENT OF  
**Natural Resources****SURFACE MINING  
RECLAMATION  
PERMIT  
(Form SM-9)**☐ name change ☐ transfer ☐ revisionPermit holder: Port of TacomaMailing address: P. O. Box 1837, Tacoma, WA 98401-1837

Pursuant to RCW 78.44, a Reclamation Permit is hereby granted to the above-named permit holder to engage in surface mining on the property described in the application and material on file under this permit. The total area to be disturbed by surface mining, including the deposition of surface-mining refuse, shall be in accordance with the reclamation plan filed with and approved by the Department of Natural Resources under this permit, and in accordance with the conditions and descriptions set forth in Exhibit "A" attached hereto and made a part hereof, and RCW 78.44.

**TERM OF PERMIT**

This permit shall be in effect from the date of issuance and shall remain in effect so long thereafter as the permit holder pays the annual basic fee for each site, complies with the Surface Mining Act and the rules promulgated thereunder, complies with the reclamation plan, and maintains a performance security as required by the Act.

**CHANGE OR MODIFICATION OF RECLAMATION PLAN**

The permit holder shall obtain written approval from the Department prior to any change or departure from the approved reclamation plan.

**PERFORMANCE SECURITY**

A performance security shall be submitted to and approved by the Department prior to commencement of surface mining. The permit holder may submit a cash deposit, assignment of a savings account or certificate of deposit, bank letter of credit, negotiable securities, assignments of interest in real property within the state, or a corporate surety bond in the amount specified. The amount of the performance security shall be subject to adjustment according to RCW 78.44.

**TRANSFER OF PERMIT**

The transfer of this permit to another permit holder shall not be made unless approved in writing by the Department. A transfer shall not be approved unless the successor permit holder assumes all duties of the former permit holder to complete the reclamation of the land and the Department approves the successor permit holder's performance security.

**PENALTIES**

The Department may suspend surface mining or impose civil penalties if the permit holder conducts surface mining in any manner not authorized by RCW 78.44, the rules adopted thereunder, the approved reclamation plan, or this permit.

Permitted this 19th day of September, 2007 Revised this \_\_\_\_\_ day of \_\_\_\_\_Signature  pm  $\frac{1}{4}$  Sec 1, T 16 N, R 02 WName (type or print) Matthew I. Brookshier pm  $\frac{1}{4}$  Sec 2, T 16 N, R 02 WTitle Geologist, Surface Mining Reclamation Program pm  $\frac{1}{4}$  Sec 11, T 16 N, R 02 WDivision of Geology and Earth Resources \_\_\_\_\_  $\frac{1}{4}$  Sec \_\_\_\_\_, T \_\_\_\_\_ N, R \_\_\_\_\_

TOTAL ACREAGE AND DEPTH OF PERMIT AREA (Include all acreage to be disturbed by mining, setbacks, and buffers, and associated activities during the life of the mine.) (See SM-8A.)

Total area disturbed will be 497.3 acres.Maximum vertical depth below pre-mining topographic grade is 106 feetMaximum depth of excavated mine floor is 120 feet relative to mean sea levelDNR Reclamation Permit No.  
**70 - 013010**

Exhibit A, 70-013010

1 of 2

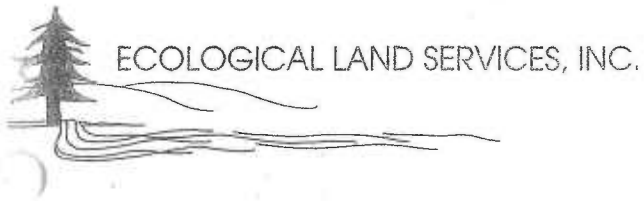
**EXHIBIT A**  
**Conditions of the Permit**  
Surface Mining Reclamation Permit # 70-013010  
September 19, 2007

1. This surface mine reclamation permit applies to the following area: a 497.3-acre permit area located in portions of Sections 1, 2, 11 and 12 in Township 16 North, Range 02 West, Willamette Meridian, Thurston County.
2. All mining and reclamation shall comply with the rules and regulations pursuant to Chapter 78.44 RCW and Chapter 332-18 WAC.
3. All mining and reclamation shall comply with the reclamation plan, dated August 13, 2007 by the permittee and approved by the Department of Natural Resources on September 19, 2007. Any amendment or change to the plan must be submitted to and approved in writing by the Department. The Reclamation Plan consists of the following documents:
  - Permit Letter, dated September 19, 2007
  - Surface Mining Reclamation Permit (Form SM-9) dated September 19, 2007
  - Exhibit A, listing 13 additional conditions of the permit
  - Standard Reclamation Plan
    - Application for Reclamation Permit (Form SM-8A), dated August 13, 2007 by the permittee and landowner
    - County or Municipality Approval for Surface Mining (Form SM-6), dated by the permittee on January 12, 2007 and approved by Thurston County on January 25, 2007
    - Reclamation Narrative dated August 22, 2007
    - Hydrogeologic Analysis dated July 2002 and Expanded Analysis dated September 26, 2005 completed by Pacific Groundwater Group
    - Seven reclamation maps: Figure 1 through Figure 7 date stamped by Geology and Earth on August 23, 2007
4. If there is any conflict between the conditions in Exhibit A and any other language of the approved reclamation permit (which includes the reclamation plan), the language in Exhibit A will prevail.
5. The permit holder shall mark the entire perimeter of the 497.3-acre permit area with easily visible posts as described in the reclamation narrative. Posts shall be driven into the ground and extend at least three feet above the ground surface. A sufficient number of boundary markers shall be used to delineate the permit boundary enabling the operator, permittee and the Department of Natural Resources to monitor the progress of mining and reclamation. Permanent boundary markers shall be visible from one to the next, such that the entire perimeter of the site could be reestablished using the Global Positioning System, if the boundary markers were destroyed. All permit area posts shall be maintained for the duration of this reclamation permit.

Exhibit A, 70-013010

2 of 2

6. Limits of mining disturbance in each reclamation segment shall be marked and maintained until shoreline and earthwork are complete in each segment. The permit holder shall ensure that adequate room is available in the 100-foot setback to perform reclamation activities. The permit holder is not authorized by the Department to access adjacent properties in order to perform reclamation activities.
7. The permitted depth at this site is 106 vertical feet from original ground surface. No excavation shall occur below an elevation of 120-feet msl. If additional mining depth is anticipated the reclamation plan must be revised prior to exceeding the permitted depth.
8. The total area disturbed, at any one time, is to be minimized by progressive reclamation and shoreline construction. Reclamation activities shall, to the extent feasible be conducted simultaneously with the surface mining.
9. Soil material imported into the permit area shall include only natural soil material, clay, silt, sand, gravel and rock. Contaminated material, concrete, asphalt, wood waste, construction or demolition debris is prohibited from importation to the site for use in reclamation. Any imported material determined by the Department to be unacceptable shall be removed from the permit area within 72-hours of a Department directive to do so.
10. All topsoil shall be excavated, stockpiled and maintained on site for use in final reclamation. Stockpiles shall be seeded with grasses during storage to prevent erosion. No less than 30-inches of soil shall be placed on the shorelines and disturbed uplands subsequent to ripping over-compacted native material sufficient to re-soil the shorelines to the minimum elevation of the seasonal low phreatic surface.
11. Mining to final slope shall not result in sub-aqueous slopes (referenced to the seasonal low phreatic surface) of greater than 1.5-feet horizontal to 1-foot vertical (1.5 to 1). Reclaimed terrestrial shorelines shall vary between 2 to 1 and 3 to 1 after placing overburden and topsoil. Reclaimed shorelines shall be sinuous and variable in slope pitch and right angles shall be eliminated. Peninsulas, inlets and shallows shall be frequently incorporated into the lake and shoreline as segmental reclamation progresses. All reclaimed slopes must remain stable upon completion of reclamation.
12. Revegetation shall be completed as detailed in the reclamation narrative and on the reclamation maps. Root balls and other large woody debris shall be salvaged and incorporated in shoreline reclamation as described in the plan. Noxious weeds shall not be considered acceptable vegetation and natural revegetation only shall not be deemed satisfactory. Prior to any variation from the revegetation plan, written approval must be obtained from the Department.
13. The permit holder or operator shall maintain a complete copy of this permit, including these conditions and the approved reclamation plan with additions and amendments, at the mine site for the duration of the permit.



August 23, 2007

Mr. Matt Brookshier  
Department of Natural Resources  
1111 Washington Street SE  
P.O. Box 47007  
Olympia, WA 98504

**Re: Maytown Aggregates, Port of Tacoma  
DNR Permit No. 70-013010**

Dear Mr. Brookshier:

Enclosed please find a complete application for a DNR surface mine reclamation permit for Port of Tacoma's Maytown Aggregates site in Thurston County, Washington, DNR Permit #70-013010.

Sincerely,

Roy Garrison  
Principal  
Ecological Land Services, Inc.

Enclosure

cc: Rob Collins, Port of Tacoma



## **1- INTRODUCTION**

On behalf of the Port of Tacoma (the Port) Ecological Land Services, Inc. (ELS) has prepared this surface mine reclamation plan for the Washington State Department of Natural Resources (DNR) Division of Geology and Earth Resources. This reclamation plan, including the narrative, DNR forms, maps, and figures, is intended to satisfy the DNR requirements pursuant to *Chapter 78.44 Revised Code of Washington (RCW)*. DNR Forms SM-6 and SM-8A are included in Appendix A.

## **2- SITE DESCRIPTION**

### **2.1- Site Location**

The Maytown Aggregates site is located approximately 10 miles south of Olympia at 13120 Tilley Creek Road (SR 121), Thurston County, Washington. The site's abbreviated legal description is as follows: portions of Sections 1, 2, 11, and 12, Township 16N, Range 2W, Willamette Meridian (Figure 1). The property is made up of parcels 12601160000, 12601340100, 12601400000, 12602300000, 12602320500, 12602330100, 12602340000, 12602430000, 12602440000, 12603410100, 12611110100, 12611110200, 12611120000, 12611120100, 12611130100, 12611200000, 12612100000, 12612120100, 12612210100, 12612210200, 12612210300, 12612220100, 12612220200, and 12612220300.

### **2.2- Background**

The 497.3-acre permit boundary lies within a larger, 750-acre property owned by the Port (Figures 2 & 3). Portions of the project site have historically been used for industrial manufacturing (spanning a 55 year period), grazing, and timber production. Industrial manufacturing included the production of explosives. There are a number of buildings within the project site – some include electricity, water, and phone service. Remnant bunkers used for explosive product storage exist on site. Also present are domestic water services, substantial industrial water rights, and a water conveyance system that includes fire hydrants. In an effort to minimize duplication of exhibits and attachments including numerous reports, technical studies, and letters of correspondence with Thurston County and other interest groups, this reclamation plan submittal contains only portions of the Maytown Aggregates Application for Special Use Permit and Expanded Environmental Checklist, September 2005 (Appendix B). A full copy of the Special Use Permit document and approval, which included the SEPA Environmental Checklist and all aforementioned reports and studies was previously provided to DNR. The Special Use Permit was filed by the previous owner's representative, Allen & Company, LLC. Thurston County has granted a Special Use Permit with conditions (Findings, Conclusions, and Decision, File No. SUPT 020612, December 16, 2005), accessory uses of gravel washing, crushing, and sorting; asphalt and concrete recycling; and the import of 2,500,000 cy of clean fill has also been granted (Appendix C). Additionally, 284 acres

of mine area have been designated as mineral resource lands of long-term commercial significance by Thurston County.

### **2.3- Subsequent Use**

The subsequent use for this site will be forest land and wildlife habitat which includes a mix of open water (192.7 acres), wetland (49.7 acres), riparian shoreline (25.7 acres), and reforested upland (229.2 acres). The subsequent use is approved by Thurston County per the DNR SM-6 Form, *County or Municipality Approval For Surface Mining* (Appendix A).

## **3- GEOLOGY AND HYDROGEOLOGY**

### **3.1- Geology**

The site is characterized by glacial outwash sediments (unconsolidated sand and gravels collectively called the Vashon Drift) overlying bedrock. The site is situated within a region where both Tertiary bedrock (sedimentary clay and silt stones overlying basalt) and Pleistocene glacial deposits occur. To the north is the Puget Sound Lowland, which is composed of unconsolidated glacial deposits. South of the site is the southern extent of glaciation and the beginning of a dissected upland of bedrock. Most of the mine site is relatively flat and slopes gently southward toward Beaver Creek and westward toward Tilley Road. The geomorphology of the site consists of a low, flat arc sweeping from northeast to northwest that represents a glacial outwash channel. The channel wraps around a low upland with a steep south face that extends across most of the site's northern edge, marking the change from flat prairie to undulating hills and valleys.

### **3.2- Hydrogeology**

The uppermost layers within the Vashon Drift deposits (in which mining will occur) typically have high hydraulic conductivity. They have overly low permeability lacustrine sediments in some areas and ultimately bedrock throughout the project site and surrounding vicinity. The bedrock (and overlying lacustrine sediment where it occurs) forms an effective aquitard, causing the groundwater to flow laterally within the highly transmissive glacial outwash deposits. The water table within the permit boundary generally flows east to west/northwest with annual fluctuations of 4 - 11 feet. A detailed hydrogeologic analysis was prepared by Pacific Groundwater Group and SubTerra, Inc. (PGG, 2002).

## **4- MINING AND RECLAMATION**

### **4.1- Mining and Reclamation**

The permit boundary for this site includes 497.3 acres. The overall mine extraction area is approximately 284 acres. The site will be mined in eight segments, beginning with



segment one and ending with segment eight (Figure 4), removing approximately 20,600,000 cubic yards of sand and gravel from within the permit boundary over a 20-year period. Mining will extend below the ground water table.

Maximum depth of mining at any given point is 106 feet below ground surface (bgs) from elevation 226 mean sea level (MSL) to 120 MSL. Maximum elevation difference within the mining disturbance boundary is 110 feet, from the highest elevation of approximately 230 MSL located in the northeast portion of the permit boundary to the lowest elevation, which will be excavated to 120 MSL (Figures 5 and 6).

Mining in any segment will first occur above the water table. Topsoil will be stripped and stored around the perimeter of the disturbed footprint. Mining will then proceed with conventional equipment such as wheel loaders, track excavators, and bulldozers down to about the elevation of the water table. Mining below the water table will then begin, excavating material to depths of 15-20 feet below the water table with a track excavator. Mining will continue below the reach of the excavator with a dragline or barge-mounted clamshell dredge with floating conveyors to transport the rock. Mining will be deepest in Segments 4 and 6, reaching 106 feet below ground surface. Mining will be shallowest in Segments 7 and 8, reaching approximately 30 feet below ground surface. Depending on future markets and the particle size of the aggregate (gravel vs. sand), it may be necessary to have two mine areas open at any given time.

A sinuous post-mining topography will be constructed during mining operations where slopes above the water table will be excavated to no steeper than 2H:1V using a cut-slope method of mining. Final slopes above the water, constructed within insitu material, will not require any backfill with the exception of along the shoreline where wetland will be created. Below low water elevations, slopes may be cut slightly steeper, not to exceed 1.5H:1V. At the completion of each mining segment, gravel-processing water (heavily laden with inert silt and sand) will be pumped to specific locations along the shoreline to deposit sediments, creating shallow deltas and islands to promote a rooting medium for emergent and aquatic vegetation. The width of the wetland zone along the shorelines will vary and have a grade of >5H:1V to create a relatively broad gradient of water depth. Additional topsoil from the project site may be required to augment the backfilled fines along the shoreline to create the shallow areas. A minimum of 2 islands per lake will be created within the wetland areas (Figure 7). These features will be constructed during the low water period of the year to create nesting habitat for water fowl and protection from predators. A predator channel will be created between the islands and the shoreline, creating a minimum 6' depth of water at low water elevation.

In addition, the project will accept approximately 2.5 million cubic yards of clean fill soil in conjunction with the mining operation, which will be placed in a single area approximately 44 acres in size at the western portion of the property. The fill will be placed as a hill similar in topography to the surrounding area up to about 130 feet in vertical height with maximum slope gradients of 3H:1V. Figure 5 illustrates the final configuration of the reclaimed mine area upon completion of mining activities. The



perimeter of the mining disturbance area will be sinuously joined to the existing contours surrounding the site.

The reclamation plan will create approximately 192.7 acres of open water (excluding settling and infiltration ponds), 49.7 acres of wetland habitat, 25.7 acres of riparian shoreline, and 229.2 acres of reforested upland upon completion of the mining operations (includes the 44 acre fill area). The open water component will be comprised of 8 lakes ranging in size from 4.5 to 43 acres. Sinuous shorelines will be created during mining operations to develop a diverse emergent/scrub-shrub wetland in the shallow areas along the lakeshore.

The excavated gravel lakes will create approximately 242 acres of complex open water and wetland habitat. Structural elements will be incorporated into the created lakes to provide substrate and cover for a variety of organisms, including invertebrates, amphibians, and fish. The structural elements will consist of submerged tree crowns that are 20 to 30-feet long and root-wads placed along the sloping perimeter of the lakes. The tree crowns and root-wads will be anchored with rocks to keep them in place and prevent floatation to the surface. Average frequency of placement will be approximately one structure per 300 feet of shoreline.

The riparian shoreline area (from the lake edge to the upland slope) will receive a lift of 30 inches of topsoil, which was previously stripped and stockpiled along the perimeter of the disturbed area. Topsoil is redistributed on the slope following placement of fill materials along the shoreline to minimize disturbance to the topsoil. These slopes will be vegetated with the appropriate shrubs and trees to stabilize the shoreline and protect it from wave erosion (Table 6.1). As the slope transitions away from the water line, upland species will begin to dominate. The upper areas will thus ultimately be characterized as upland forest (Table 6.2).

#### **4.2- Topsoil and Subsoil Plan**

Soil Conservation Service Soil Survey of Thurston County, Washington, maps soil on and around the project area as dominantly Spanaway-Nisqually Complex (map unit 114). Minor amounts of Spanaway gravelly sandy loam (map unit 110) occur in the south and west of the permit boundary and minor amounts of Nisqually loamy fine sand (map unit 74) occur in the northeast. Based on the Soil Survey and field observations, there is 24 - 30 inches of topsoil overlying either another 30+ inches of subsoil or merchantable product on this site (USDA, 1990).

Topsoil and any existing subsoil/overburden material will be stripped as mining proceeds incrementally. Topsoil needed for reclamation will be stored around the perimeter of the segment to be reclaimed. Excess topsoil and subsoil/overburden material will be transported to the clean fill area in the northwestern part of the site. There is an excess amount of topsoil available to what is needed for reclamation because much of the reclaimed surface will be open water. Therefore, there will not be a shortage of topsoil

for reclamation purposes. Reclamation will occur contemporaneously with mining as final cut slopes above groundwater level are created.

After slopes are excavated and/or shaped to final topography, the salvaged rooting medium (topsoil) will be replaced above water table elevation for revegetation. The replaced rooting medium will be ripped parallel to the contour of the reclaimed slopes and on staging areas to promote effective revegetation. Some micro relief such as shallow depressions and ridges created through ripping will remain on reclaimed surfaces, assisting in germination and sediment capture during initial years of reclamation. Topsoil material will be handled only during dry conditions. Where ripping is not practical, replaced soils will be track-walked perpendicular to slopes to minimize erosion prior to revegetating.

**TABLE 4.2**  
**SOILS BUDGET**

Mine Segment	Acres	Reclamation Phase	Acres/(acres above water table that will receive topsoil)	Estimated topsoil volume needed (yd <sup>3</sup> )	Estimated topsoil excess/shortage (yd <sup>3</sup> )
M1	45	R1	45/(4.9)	19,760	125,400 / 0
M2	4.5	R2	4.3/(1.5)	6,050	7,800 / 0
M3	33	R3	33/(5)	20,160	86,300 / 0
M4	31	R4	31/(3)	12,100	87,900 / 0
M5	33	R5	33/(3)	12,100	94,360 / 0
M6	48	R6	48/(5)	20,160	134,690 / 0
M7	41	R7	41/(3.9)	15,730	116,540 / 0
M8	27	R8	27/(6)	24,200	62,900 / 0
Remainder	21.5		21.5	70,000	0 / 0
Totals	284		284/(32.3)	200,260	715,890/0

**Conditions**

**Maximum mining depth:** 106 feet, from 226 msl to 120 msl. The maximum relief within the mine extraction area is about 110 feet, or between approximately 230 msl and 120 msl.

**Mineral extraction:** Actual mine extraction area of 242 acres.

**Permit boundary/disturbance acreage:** 497.3 acres accounting for extraction, processing, setbacks, and haul road.

**Material salvage:** Based upon USCS soils classifications and field observations, 24-30 inches of topsoil will be salvageable across the permit area. Calculations are conservative at 24 inches based on previous activity and unknown disturbances.

**Replacement depth:** Planned replacement depth of topsoil is 30 inches excluding the areas that will be below ground water level following mining.

**Remainder:** Acreage within the mine disturbance area that serves as haul route, staging, etc.

### **4.3- Setbacks & Buffers**

The project was intentionally designed to avoid all critical areas and their buffers such as wetlands, native outwash prairie and streams. These areas are accompanied with their county prescribed buffers. Wetland buffers vary between 100 and 300 feet depending upon their classification. A minimum of 100-foot buffer has been placed around the native outwash prairie which is located exclusively outside the project permit boundary. Beaver and Allen Creeks and their associated 300-foot buffers are avoided completely by the project. An additional 30-foot set back has been established between the WDFW property boundary and the mine permit boundary. Refer to Wetland Delineation and Habitat Management Reports (ELS) located in the Maytown Aggregates Application for Special Use Permit and Expanded Environmental Checklist, September 2005.

## **5- EROSION CONTROL**

### **5.1- Existing Stormwater**

No mining disturbance has yet occurred. Stormwater currently collects in the wetlands and stream channels in the southern portion of the property or directly infiltrates through the highly permeable substrate. Much of the site is topographically flat and well-vegetated (excluding existing roads and building sites), and does not lend itself to erosion or concentrated water flow.

### **5.2- Postmining Stormwater**

Throughout mining, excavation areas will be developed such that all precipitation in a given mine area will be retained within the excavation limits and infiltrated. Run-off from the higher ground in the north and east will be either routed around a given excavation area or allowed to enter the excavation in a controlled manner and infiltrate. Run-off in the clean fill area will be controlled by means of a perimeter infiltration swale/conveyance ditch that will direct runoff through sedimentation ponds that flow into an infiltration pond. Postmining stormwater will largely revert back to pre-mining conditions where infiltration and collection in surface water bodies dominates. In the reclaimed state, surface water bodies will make up a large percentage of the site. Upland areas covered with clean soil fill will be reforested. An application for a Washington Department of Ecology Sand and Gravel General Permit has been submitted. Attached in Appendix D is a Stormwater Pollution Prevention Plan which includes site maps, Monitoring Plan, Erosion and Sediment Control Plan and Spill Control Plan.

## **6- REVEGETATION PLAN**

### **6.1- Shoreline/Wetland Creation Area Specifications**

Cuttings and bareroot species will be planted around the shorelines of the lakes, approximately one plant every 78 square feet (or an average spacing between plants of

approximately 8.8 feet). Sitka willow, hardhack, and Pacific ninebark are fast-growing shrub species that will be planted in groups above the water line. Black cottonwood, Oregon ash, and Pacific willow, also fast-growing species, will be planted along the shoreline and will eventually occupy the tree strata. Western red cedar and Nootka rose will be planted slightly higher in elevation than the rest of the plantings. Western red cedar will provide long-term shade and high quality habitat for the reclaimed sites.

**Table 6.1- Species and Planting Details, Shoreline/Wetland Creation Areas**

Species Common Name	Scientific Name	Planting Method	Planting Density	Planting Season
Sitka willow	<i>Salix sitchensis</i>	Cutting	20 ft. average	spring/fall
Hardhack	<i>Spiraea douglasii</i>	Bareroot	20 ft. average	spring/fall
Pacific ninebark	<i>Physocarpus capitatus</i>	Bareroot	20 ft. average	spring/fall
Black cottonwood	<i>Populus trichocarpa</i>	Bareroot	Clumps/25ft.	spring/fall
Oregon ash	<i>Fraxinus latifolia</i>	Bareroot	Clumps/25ft.	spring/fall
Pacific willow	<i>Salix lasiandra</i>	Cutting	Clumps/25ft.	spring/fall
Western red cedar	<i>Thuja plicata</i>	Bareroot	10ft.	spring/fall
Nootka rose	<i>Rosa nutkana</i>	Bareroot	10ft.	spring/fall
Slough sedge	<i>Carex obnupta</i>	Bareroot	Clumps/30ft.	spring/fall

## 6.2- Upland Forest Revegetation Specifications

Native upland forested communities consisting of conifers and hardwoods will be established along slopes around the reclaimed lakes and the 44 acre fill area. Trees will be planted at spacing consistent with the native species that have established in the surrounding area. New excavation and fill areas will be sown annually to develop contemporaneous reclamation as mining progresses. Prior to re-forestation the 44 acre fill area will be seeded with perennial grasses to minimize the potential for soil loss, consistent with section 8.3.3 of the Stormwater Plan.

Existing vegetation surrounding the permit boundary will be preserved to maintain existing wildlife habitat and to allow for natural vegetation propagation to occur. A mixture of shrubs and trees, which presently border the mining disturbance area, will remain undisturbed. The following tables identify vegetation to be installed to reestablish pre-existing flora and enhance vegetative diversity, wildlife habitat, slope protection and control soil erosion. Bareroot trees will be supplied by a local nursery and from within the proper seed zone.

**Table 6.2- Species and Planting Details, Upland Forest Areas**

<b>Species Common Name</b>	<b>Scientific Name</b>	<b>Planting Method</b>	<b>Planting Density</b>	<b>Planting Season</b>
Douglas-fir	<i>Pseudotsuga menziesii</i>	Bareroot	Varied	Spring
Red alder	<i>Alnus rubra</i>	Bareroot	Varied	Spring

The species identified in Tables 6.1 and 6.2 require a range of moisture requirements. For example, in areas close to the water, Slough sedge and Pacific willow will be planted. In higher elevation areas Nootka rose (*Rosa nutkana*) and Western red cedar will be planted. This will provide some heterogeneity and a closer matching of species to moisture conditions. Clumps will typically be 25 feet or so in diameter and will be comprised of several individual plants. This kind of pattern is more representative of natural communities than a mixing of species on a finer scale. All of these species have been observed on or adjacent to the project boundary, indicating that they are likely to be well suited to site conditions. If necessary, blackberry and other invasive non-native weeds will be controlled until the site has been captured by the above species.

The ecological functions within the project boundary will be enhanced from this revegetation scheme because this scheme will:

- provide terrestrial wildlife habitat for nesting, dispersal, and foraging
- provide shade to help minimize changes in water temperature
- help control erosion from surface runoff
- provide a future source of roots and woody debris for habitat complexity
- improve habitat for amphibians, birds, and aquatic organisms

Additional aquatic and wetland habitat will increase the value of the Maytown Aggregates site for waterfowl, shorebirds, amphibians, and terrestrial wildlife. The majority of the mine land within the project boundary is largely homogeneous with invasive species, few landscape features, and low habitat value for wildlife. Examples of proposed habitat improvements include structurally complex open water, wetlands, and upland woodlands. The creation of wetland habitat around the lakes will be a substantial contribution to the important habitat type in the Beaver Creek and Allen Creek drainages. The created wetlands will provide shallow water habitat suitable for Oregon spotted frogs, complex habitat that could support a variety of juvenile fish, habitat for emergent vegetation communities, and increased trophic complexity. Similar to the creation of shallow-water wetland habitat, the creation of open water habitat will contribute to greater ecosystem diversity and productivity. For example, migratory and nesting waterfowl are expected to use the valuable combination of created open water and wetland habitat.

The final reclaimed site plan is presented as Figure 5. Figure 7 provides an example of the planned vegetation, illustrating the difference between the proposed upland forest areas and the shoreline/wetland creation communities.

## REFERENCES

SubTerra, Inc., Pacific Groundwater, Ecological Land Services, Heffron Transportation, BRC Acoustics, *Maytown Aggregates Application for Special Use Permit & Expanded Environmental Checklist, September 2005.*

United States Department of Agriculture (USDA), Soil Conservation Service (SCS). 1990. Soil Survey of Thurston County.  
[http://www.or.nrcs.usda.gov/pnw\\_soil/wa\\_reports.html](http://www.or.nrcs.usda.gov/pnw_soil/wa_reports.html)

Walsh, T. J.; Korosec, M.A.; Phillips, W.M.; Logan, R.L.; Schasse, H.W., *Geologic Map of Washington – Southwest Quadrant.* Washington State Department of Natural Resources, Division of Geology and Earth Resources. Geologic Map GM-34. 1987.

## **LIMITATIONS**

The services described in this report were performed consistent with generally accepted professional consulting principles and practices. There are no other warranties, express or implied. The services performed were consistent with our agreement with our client. This report is prepared solely for the use of our client and may not be used or relied upon by a third party for any purpose. Any such use or reliance will be at such party's risk.

The opinions and recommendations contained in this report apply to conditions existing when services were performed. ELS is not responsible for the impacts of any changes in environmental standards, practices, or regulations after the date of this report. ELS does not warrant the accuracy of supplemental information incorporated in this report that was supplied by others.



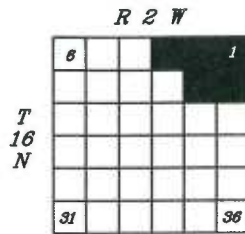


# WASHINGTON



46° 53' 47" N Latitude  
122° 53' 14" W Longitude

## LOCATION MAP



### DIRECTIONS TO SITE:

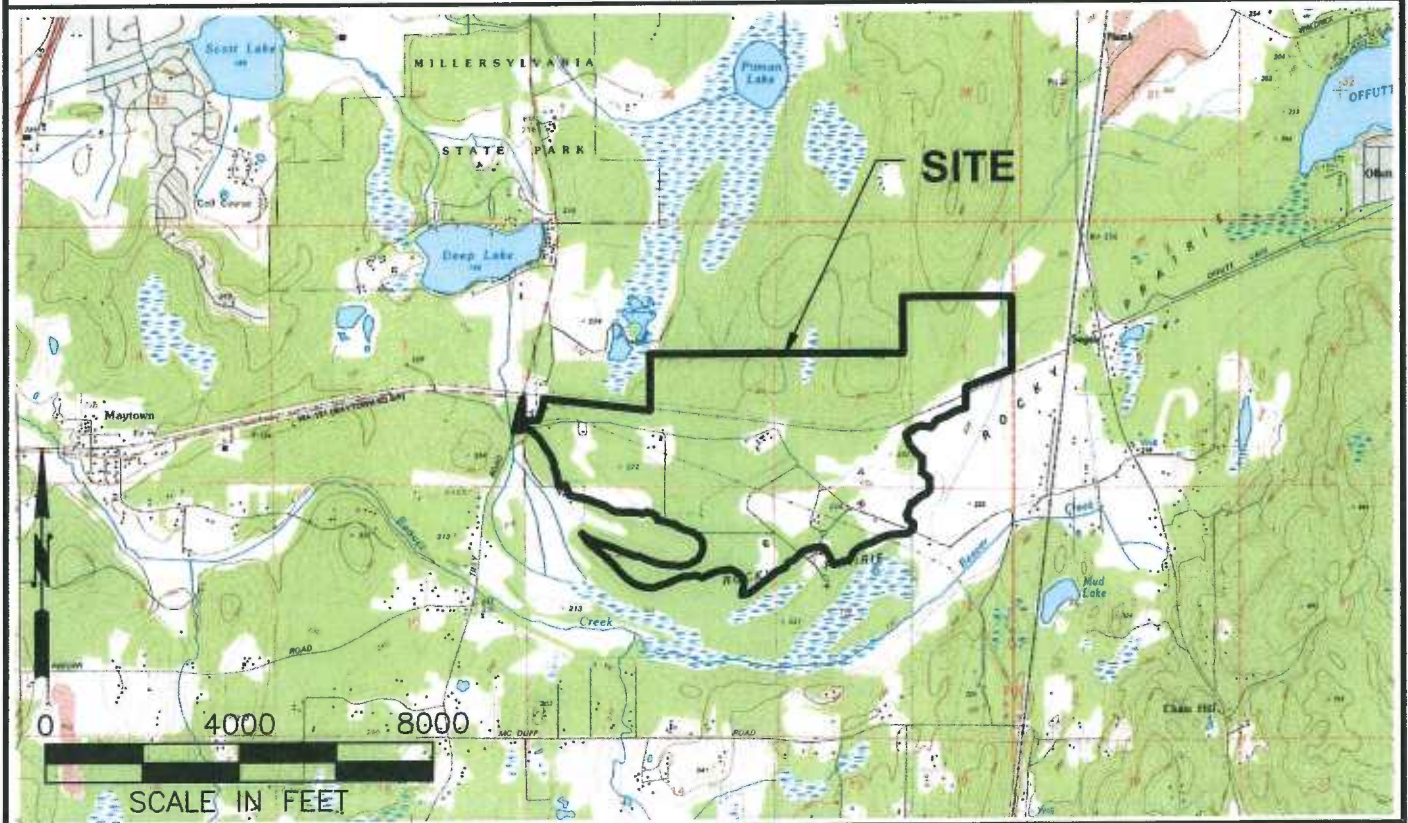
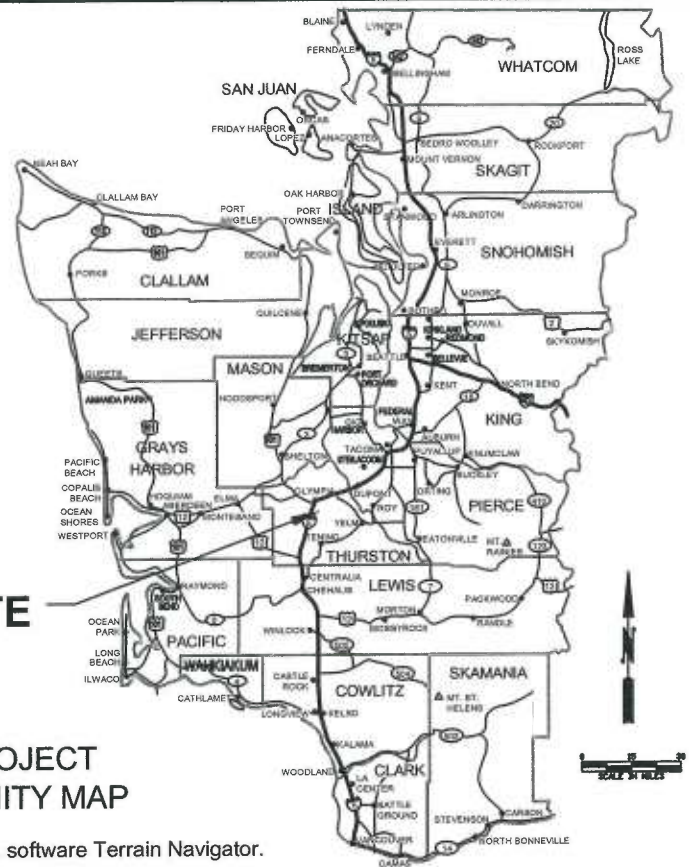
THE SITE IS LOCATED APPROXIMATELY 10 MILES SOUTH OF OLYMPIA. FROM OLYMPIA, DRIVE SOUTHBOUND ON INTERSTATE 5 TOWARDS PORTLAND. TAKE THE WA-121 (EXIT 95) TOWARDS MAYTOWN. DRIVE EASTBOUND ON WA-121 (MAYTOWN ROAD SW). TURN RIGHT ONTO TILLY ROAD. SITE IS LOCATED ON LEFT (EAST) SIDE OF TILLY ROAD, JUST SOUTH OF THE INTERSECTION OF TILLY ROAD AND WA-121.

### NOTE:

USGS topographic quadrangle map reproduced using MAPTECH, Inc. software Terrain Navigator.

SITE

## PROJECT VICINITY MAP



ECOLOGICAL LAND SERVICES, INC.

1157 3rd Ave., Suite 220 Longview, WA 98632  
(360) 578-1371 Fax: (360) 414-9305

DATE 08-22-07

DWN. MPM

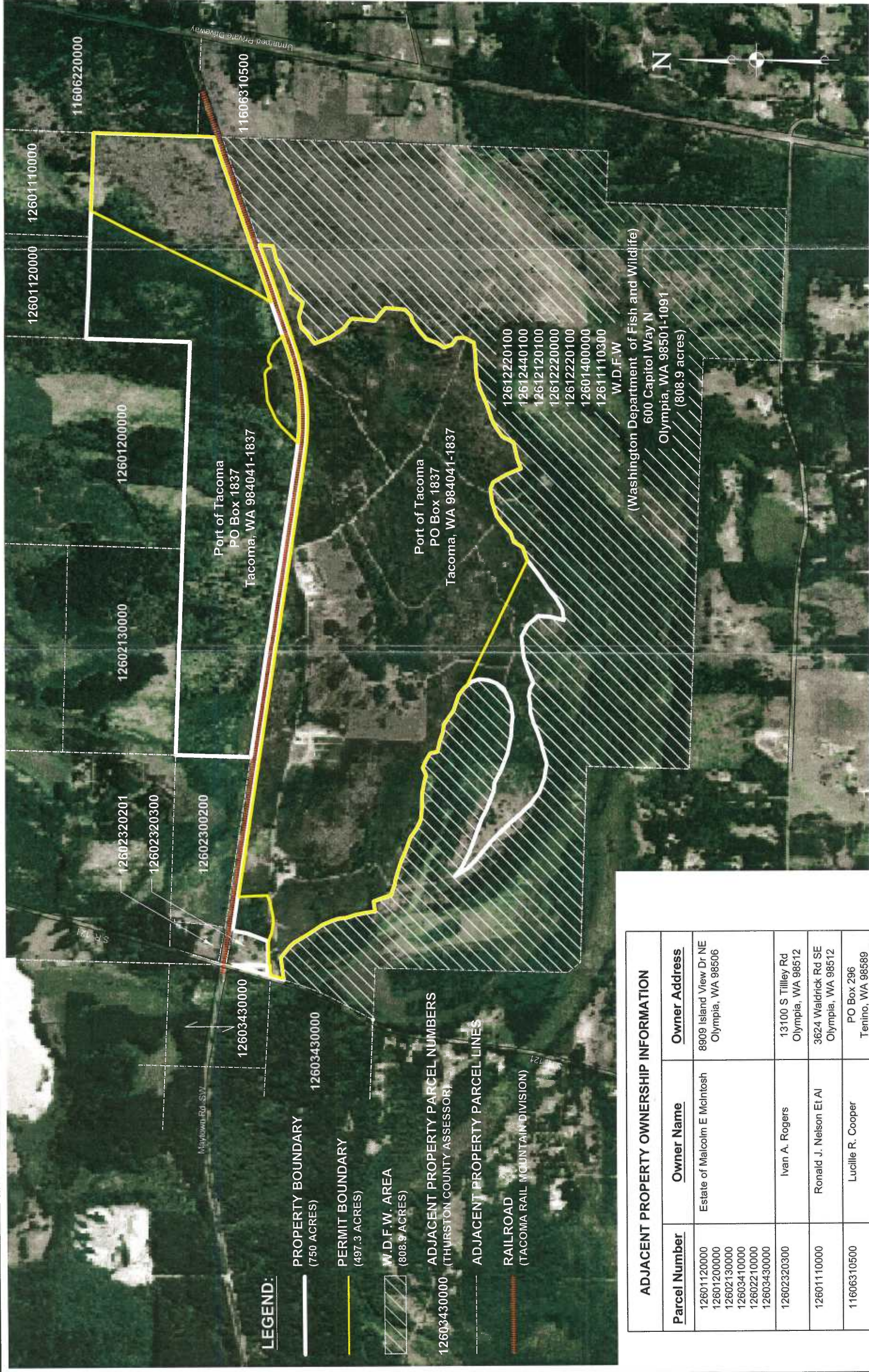
APPR.

PROJ. #1539.01

Figure 1  
VICINITY MAP  
Maytown Aggregates  
Port of Tacoma  
Thurston County, Washington  
Sections 1, 2, 3, 11, & 12, T 16N, R 2W, W.M.




ADJACENT PROPERTY OWNERSHIP INFORMATION		
<u>Parcel Number</u>	<u>Owner Name</u>	<u>Owner Address</u>
12601120000 12601200000 12602130000 12603410000 12602210000 12603430000	Estate of Malcolm E McIntosh	8909 Island View Dr NE Olympia, WA 98506
12602320300	Ivan A. Rogers	13100 S Tilley Rd Olympia, WA 98512
12601110000	Ronald J. Nelson EtAl	3624 Waldrick Rd SE Olympia, WA 98512
11606310500	Lucille R. Cooper	PO Box 296 Tenino, WA 98589
12602320200	Jason & Diana Hurley	12830 Tilley Rd S Olympia, Wa 98512
12602300200	Todd & Laurie Batten	PO Box 718 Tenino, WA 98589



**NOTES:**

1. ORIGINAL DRAWING PROVIDED BY SUBTERRA, INC., SEPTEMBER 26, 2005.
2. PROPERTY INFORMATION, PARCEL MAPS, AND AERIAL PHOTOGRAPH (2005) PROVIDED ONLINE BY THURSTON COUNTY AT WEB ADDRESS [HTTP://WWW.CO.THURSTON.WA.US/ASSESSOR](http://www.co.thurston.wa.us/assessor).

ECOLOGICAL LAND SERVICES, INC.



1157 3rd Ave., Suite 220 Longview, WA 98632  
(360) 578-1371 Fax: (360) 414-9305

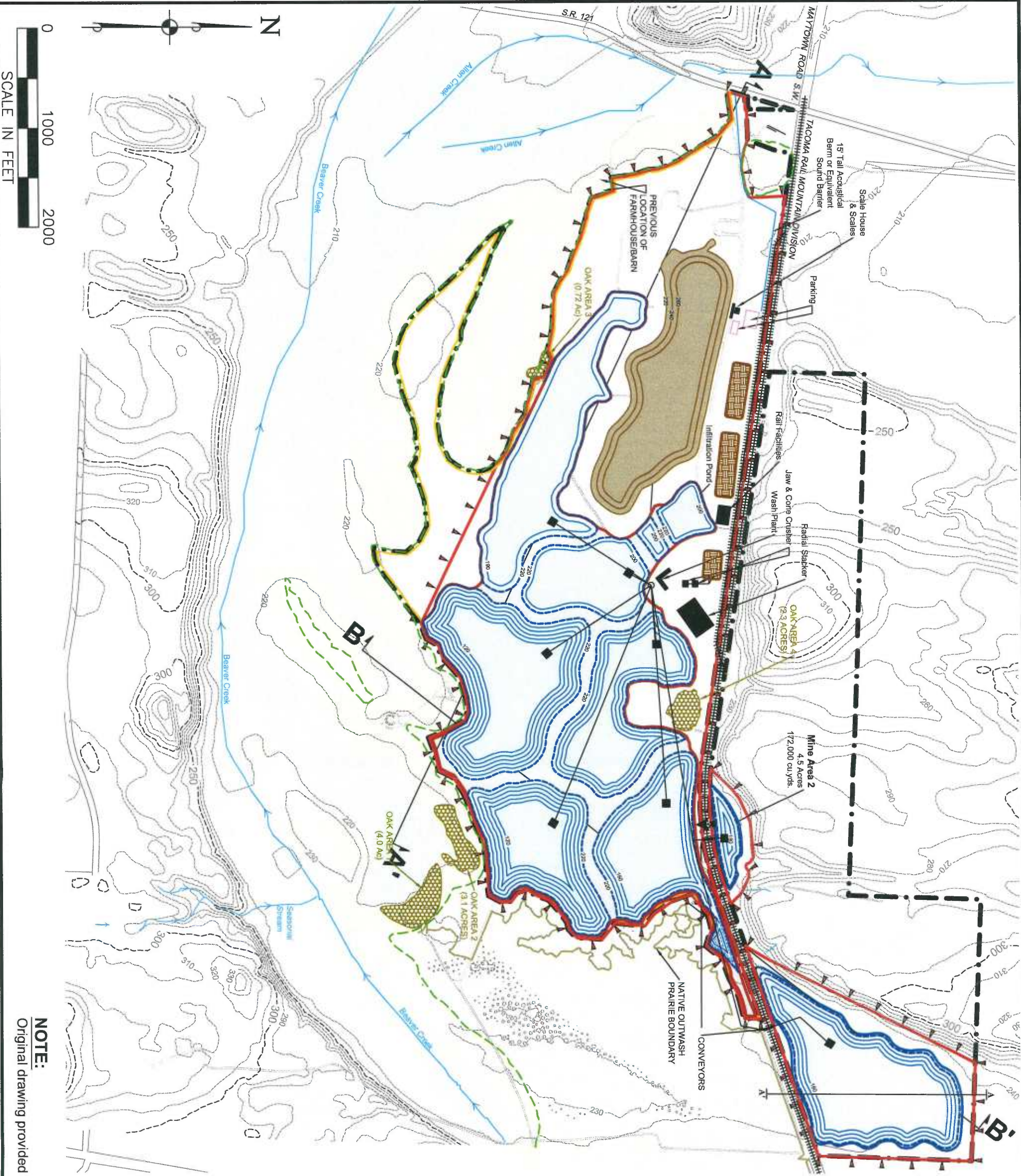
08-22-07  
DWN.  
MPM  
APPR.  
PROJ. # 1539.01

Figure 2  
ADJACENT PROPERTY OWNERSHIP MAP  
Maytown Aggregates  
Port of Tacoma  
Thurston County, Washington  
Sections 1, 2, 3, 11 & 12, Township 16N, Range 2W, W.M.









LEGEND:

- PROPERTY BOUNDARY (750 acres)
- PERMIT BOUNDARY (497.3 acres)
- LIMITS OF EXCAVATION (284 acres)
- EXISTING TOPOGRAPHY (50' intervals)
- EXISTING TOPOGRAPHY (10' intervals)
- WETLANDS
- WETLAND BUFFERS
- STREAMS
- CROSS SECTION LOCATIONS (See Figure 6)
- RAILROAD (Tacoma Rail Mountain Division)
- LOCAL ROADS
- SITE ROADS
- PERMANENT MARKERS (Line of Sight)
- WDFW 30' BUFFER
- NATIVE OUTWASH PRAIRIE BOUNDARIES
- OAK AREAS (≈ 10 ACRES)
- AGGREGATE STOCKPILES (≈ 6 ACRES)
- SITE FACILITIES
- MINING SEGMENT AREAS (≈ 242 ACRES)
- MINING DIRECTION
- SUBMERGED TOPOGRAPHY (20' INTERVALS)
- SOIL FILL AREA (44 ACRES) (20' INTERVALS)
- FILL TOPOGRAPHY (20' INTERVALS)

NOTE:

Original drawing provided by SubTerra, Inc., September 26, 2005.



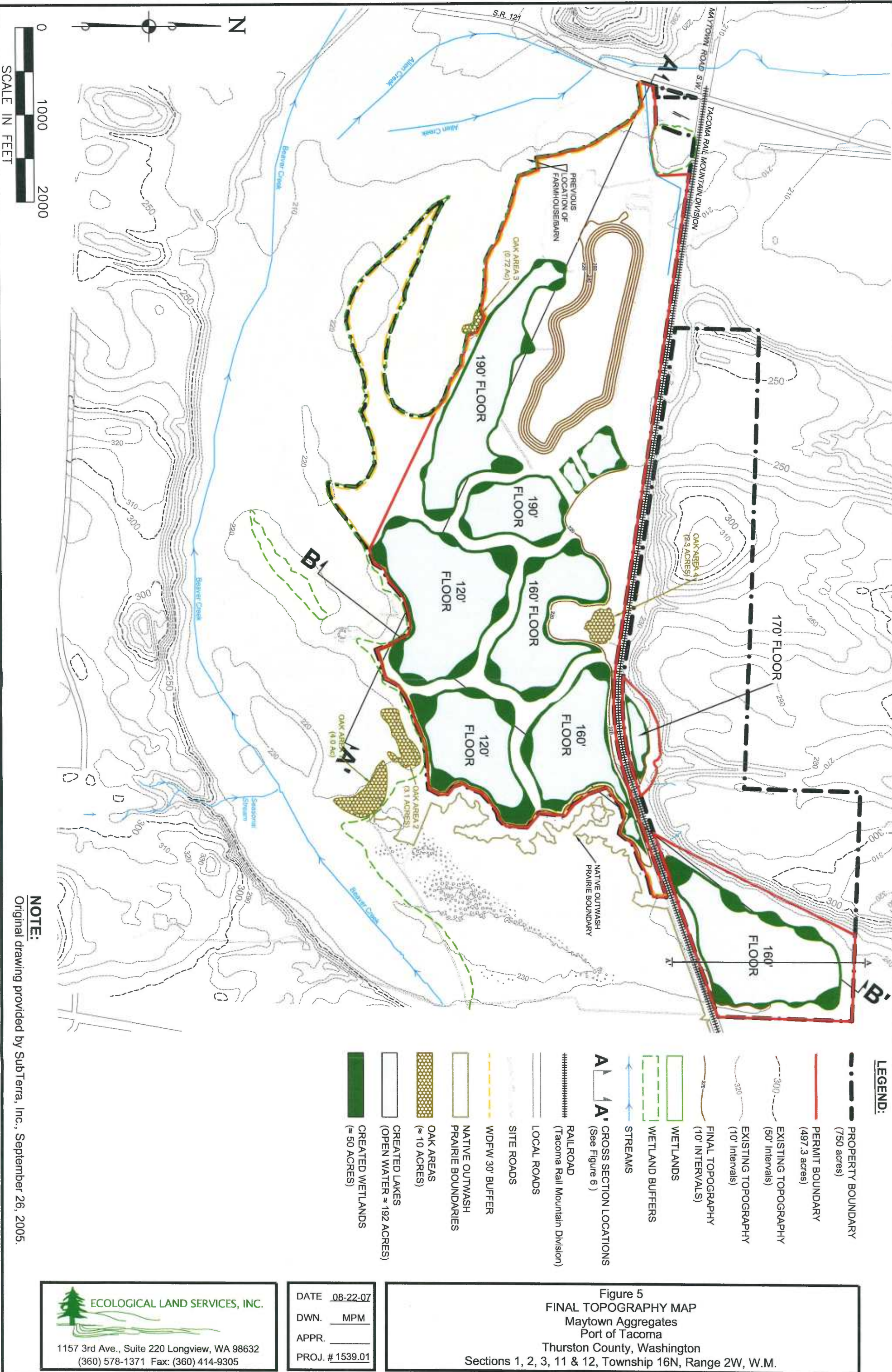
ECOLOGICAL LAND SERVICES, INC.

1157 3rd Ave., Suite 220 Longview, WA 98632  
(360) 578-1371 Fax: (360) 414-9305

DATE 08-22-07  
DWN. MPM  
APPR.  
PROJ. # 1539.01

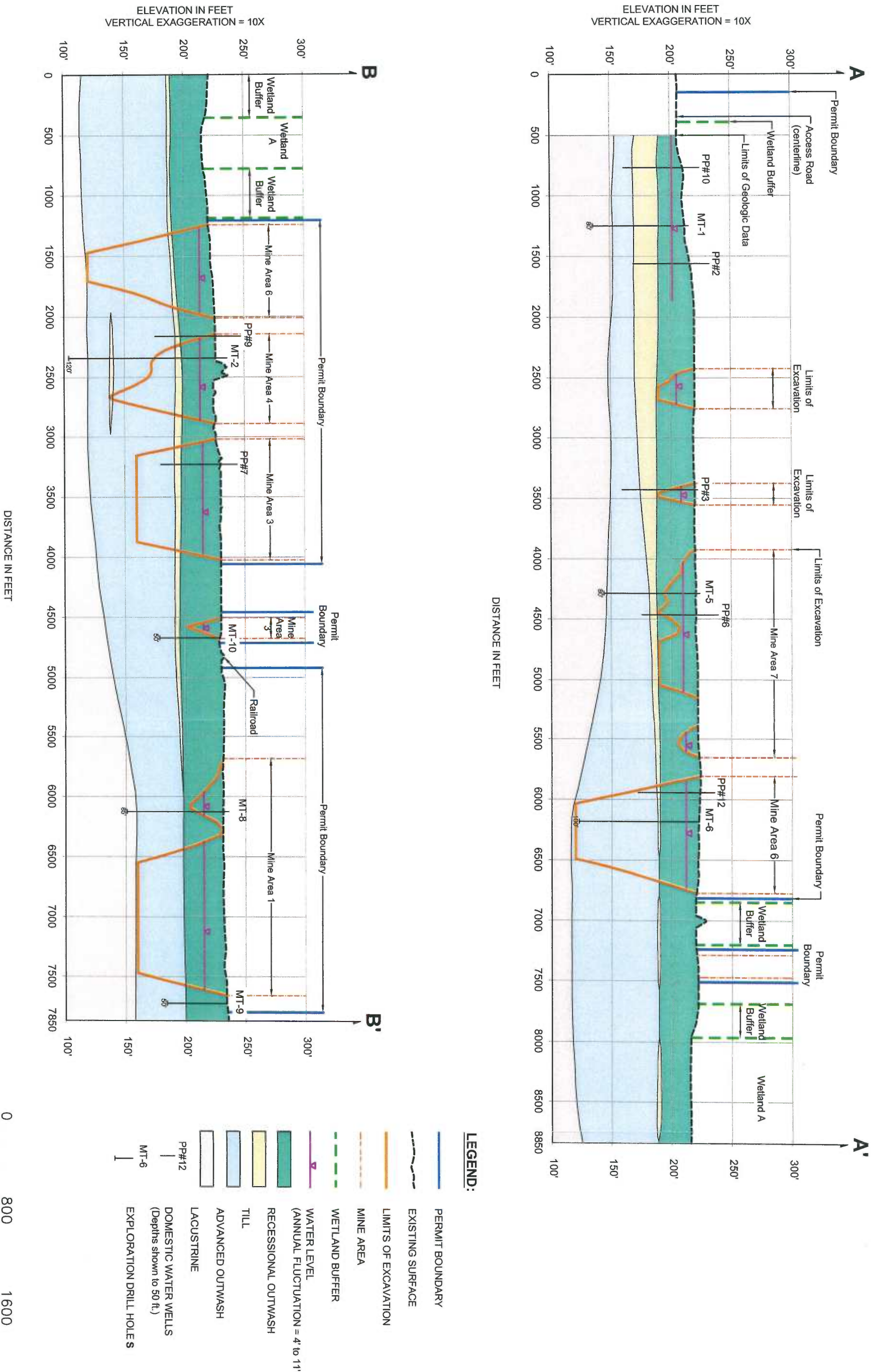
Figure 4  
RECLAMATION SEQUENCE MAP  
Maytown Aggregates  
Port of Tacoma  
Thurston County, Washington  
Sections 1, 2, 3, 11 & 12, Township 16N, Range 2W, W.M.



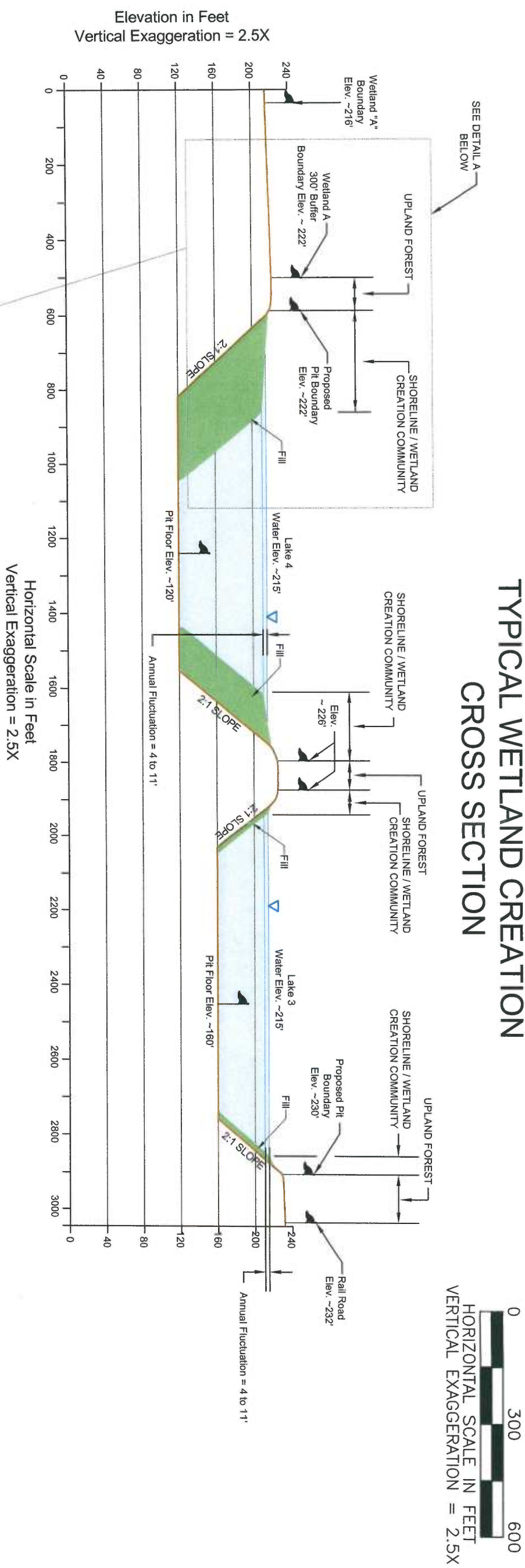




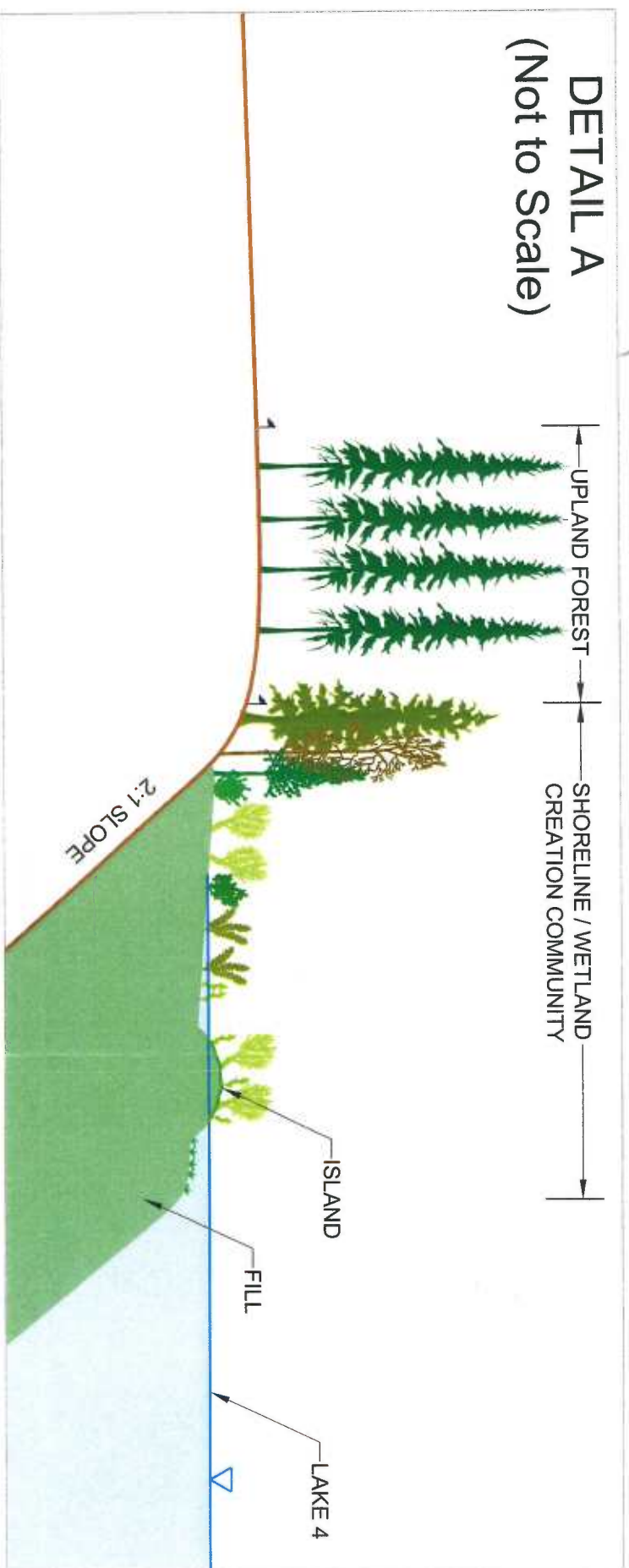
**NOTE:**  
Original drawing provided by SubTerra, Inc., September 26, 2005.



## TYPICAL WETLAND CREATION CROSS SECTION



DETAIL A  
(Not to Scale)



**LEGEND:**

Final Surface Elevation

**Water Elevation**  
(Annual fluctuation = 4 to 11')

F.iii

Water

## Feature Markers

Figure 7  
TYPICAL WETLAND CREATION CROSS SECTION  
Maytown Aggregates  
Port of Tacoma  
Thurston County, Washington  
Sections 1, 2, 3, 11 & 12, Township 16N, Range 2W, W.M.

**NOTE:**  
Original drawing provided by SubTerra, Inc., September 26, 2005.



## **Addendum E**

### **Comparable Data**

Location & Property Identification

Property Name:	Tenino 1,568 acres Conservation Land
Sub-Property Type:	Specialty, Conservation/Preservation
Address:	Old Highway 99 SE.
City/State/Zip:	Tenino, WA 98589
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3269390



Sale Information

Sale Price:	\$12,870,000
Effective Sale Price:	\$12,870,000
Sale Date:	06/10/2021
Contract Date:	04/15/2021
Listing Price:	\$13,500,000
Listing Date:	09/22/2020
Sale Status:	Closed
\$/Acre(Gross):	\$8,208
\$/Land SF(Gross):	\$0.19
Grantor/Seller:	William E. Barnett
Grantee/Buyer:	The Conservation Fund
Property Rights:	Fee Simple
Conditions of Sale:	Arm's-length
Document Type:	Warranty Deed
Recording No.:	4855050
Verified By:	Lucy Jones
Verification Date:	08/28/2024
Confirmation Source:	Troy W. Dana, 360-402-5500
Verification Type:	Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID:	1262300-0400,-0500,-0600,-0700,-0800,-0900,-1500,-1600,-1800; 1262343-0100; 1262400-1100,-1200,-1300,-1400,-1900,-2000,-1000; 1262410-0100; 1262420-0200,-0300; 1262500-1900; 1262600-2500,-2700,-2600,-2800,-2900,-3000; 1262622-0000; 1262741-0000
Acres(Gross):	1,568.00
Land-SF(Gross):	68,302,080
Zoning Code:	R 1/20
Zoning Desc.:	Residential 20 acres
Source of Land Info.:	Public Records

Comments

Over 1,500 acres of undeveloped land in Thurston County. Has views of both Mt. Rainier and Mt. St. Helens. The topography and vegetation consists primarily of rolling grassy meadows. There is a herd of elk that live on the property. About 90 acres of the property is located within the Tenino city limits and are zoned Master Planned Community. The acres that are considered prairies are eligible for the sale of Pocket Gopher mitigation credits. The credits were valued between \$11,000 to \$14,000 in

## Comments (Cont'd)

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2020. The property was listed in September 2020 and closed in June 2021. The property was purchased for 95% of asking by a conservation group that plans to sell the mitigation credits.

Location & Property Identification

Property Name:	Lake Francis Sand and Gravel Quarry
Sub-Property Type:	Specialty, Other
Address:	22606 SE. Lake Francis Rd.
City/State/Zip:	Maple Valley, WA 98038
County:	King
Submarket:	SE King County
Market Orientation:	Rural
IRR Event ID:	3269356



scale house and weigh scale facility.

Sale Information

Sale Price:	\$2,750,000
Effective Sale Price:	\$2,750,000
Sale Date:	08/21/2024
Sale Status:	Offer Pending
\$/Acre(Gross):	\$116,099
\$/Land SF(Gross):	\$2.67
Grantor/Seller:	J & L PROPERTY MGMT 3 LLC
Property Rights:	Fee Simple
Verification Type:	Secondary Verification
Secondary Verific. Source:	NWMLS

Improvement and Site Data

Legal/Tax/Parcel ID:	3323069080
Acres(Gross):	23.69
Land-SF(Gross):	1,031,790
Zoning Code:	M & RA5
Zoning Desc.:	Mineral and Rural Residential 5 acre
Source of Land Info.:	Public Records

Comments

Currently pending sale of 24 acre sand and gravel quarry in Maple Valley. The property was listed for \$2,750,000 in September 2023 and went under contract in August 2024. The quarry has 250,000 cubic yards remaining to be reclaimed. The pit has an active permit, on-site power,



## Location & Property Identification

Property Name: Arlington Gravel Property  
 Sub-Property Type: Specialty, Other  
 Address: 9325 Arlington Heights Rd.  
 City/State/Zip: Arlington, WA 98223  
 County: Snohomish  
 Submarket: North Snohomish County  
 Market Orientation: Rural

IRR Event ID: 3269352



## Sale Information

Sale Price: \$3,800,000  
 Effective Sale Price: \$3,800,000  
 Sale Date: 04/23/2019  
 Sale Status: Closed  
 \$/Acre(Gross): \$54,286  
 \$/Land SF(Gross): \$1.25  
 Grantee/Buyer: Scarsella Bros  
 Property Rights: Fee Simple  
 Verification Type: Secondary Verification  
 Secondary Verific. Source: NWMLS

## Improvement and Site Data

Legal/Tax/Parcel ID: 32053600400400  
 Acres(Gross): 70.00  
 Land-SF(Gross): 3,049,200  
 Zoning Code: R5/MRO  
 Zoning Desc.: Residential with Mineral Resource Overlay  
 Source of Land Info.: Public Records

## Comments

Sale of operational sand and gravel pit in Arlington. Site also has merchantable timber on site and potential for future redevelopment after the deposit is depleted. Estimated value of the gravel is at least \$8 million.

## Location & Property Identification

Property Name:	Concrete Sand and Gravel Pit
Sub-Property Type:	Specialty, Other
Address:	40721 Challenger Rd.
City/State/Zip:	Concrete, WA 98237
County:	Skagit
Market Orientation:	Rural
IRR Event ID:	3269358



## Sale Information

Sale Price:	\$785,000
Effective Sale Price:	\$785,000
Sale Date:	07/27/2022
Sale Status:	Closed
\$/Acre(Gross):	\$37,923
\$/Land SF(Gross):	\$0.87
Grantor/Seller:	Cunningham Family Trust
Grantee/Buyer:	Skagit Aggregates LLC
Property Rights:	Fee Simple
Document Type:	Warranty Deed
Recording No.:	7260050
Verification Type:	Secondary Verification
Secondary Verific. Source:	NWMLS

mining equipment was included in the listing price. Listed for \$950,000 in February 2022 and when under contract in March 2022. Sold for 83% of asking.

## Improvement and Site Data

Legal/Tax/Parcel ID:	P42447, P42416
Acres(Gross):	20.70
Land-SF(Gross):	901,692
Zoning Code:	RR
Zoning Desc.:	Rural Resource
Source of Land Info.:	Public Records

## Comments

Sale of permitted sale and gravel pit. The permitted pit area is 13.37 acres with 7.33 acres remaining for pit expansion or construction of a residence. None of the



### Location & Property Identification

Property Name:	Northpoint Arlington Assemblage
Sub-Property Type:	Commercial, Industrial
Address:	16001 51st Ave. NE.
City/State/Zip:	Marysville, WA 98271
County:	Snohomish
Submarket:	North Snohomish County
Market Orientation:	Suburban
IRR Event ID:	3270550



### Sale Information

Sale Price:	\$41,002,873
Effective Sale Price:	\$41,002,876
Sale Date:	01/08/2021
Sale Status:	Closed
\$/Acre(Gross):	\$96,741
\$/Land SF(Gross):	\$2.22
Grantor/Seller:	Steiner Farms LLC, Natural 9 Holdings LLC, Brutus Associates LLC & Arlington TL Associates LLP
Grantee/Buyer:	NorthPoint Development
Assemblage:	Yes
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Conditions of Sale:	Assemblage
Document Type:	Warranty Deed
Recording No.:	202101087018 and 202101087021
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, Listing Flyer

Legal/Tax/Parcel ID:	310527-001-003-00, 310527-004-003-00, 310527-001-001-00, 310527-001-003-00, 310527-001-001-00, 310527-001-009-00
Acres(Gross):	423.84
Land-SF(Gross):	18,462,470
Zoning Code:	LI
Zoning Desc.:	Light Industrial
Source of Land Info.:	Public Records

### Comments

Assemblage of raw industrial land between Arlington and Marysville. Buyer is NorthPoint Development LLC, which plans to develop the property with a logistics warehouse park referred to as the NorthPoint Cascade Logistics Park. The plan is for phased development of nine warehouses totaling around 4 million square feet. The parcels were assembled from three sellers between January and March 2021.

### Improvement and Site Data

Location & Property Identification

Property Name:	Tumwater Corporate Park Land
Sub-Property Type:	Commercial, Industrial
Address:	2222 93rd Ave. SW.
City/State/Zip:	Olympia, WA 98512
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3199412



Sale Information

Sale Price:	\$23,000,000
Effective Sale Price:	\$23,000,000
Sale Date:	10/13/2021
Sale Status:	Closed
\$/Acre(Gross):	\$276,908
\$/Land SF(Gross):	\$6.36
Grantor/Seller:	REEF Tumwater, LLC
Grantee/Buyer:	Tumwater CC, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Verified By:	Riley B. Steppe
Verification Date:	02/08/2024
Confirmation Source:	Joel Jones 253.219.9914
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Data Service, Deed

Improvement and Site Data

Legal/Tax/Parcel ID:	80640000500, 80640000400, 80640000600, 80640000002, 80640000300, 80640000004, 80640000100, 80640000003, 80640000200, 80640000001
Acres(Gross):	83.06
Land-SF(Gross):	3,618,094
Shape:	Irregular
Topography:	Level
Vegetation:	Trees and grasses
Zoning Code:	LI
Zoning Desc.:	Light Industrial
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Comments

This is the October 2021 sale of 83.06 acres of light industrial land for \$23,000,000, or \$6.36/Sf of land area. This property received a boundary line adjustment following the sale and is now made up of ten parcels. The property has a corner location and proximity to I-5. The property has since been developed with two large



### Comments (Cont'd)

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industrial buildings, each with about 200,000 SF of area. Additional development of the northern portion of this property has not yet occurred. All utilities were available to the property at the time of sale. Per the broker, this property had SEPA approval at the time of sale (State Environmental Policy Act), but additional expenses for off-site improvements were required. The property was approved to be developed with 1,105,242 SF over six buildings as an industrial park prior to the sale (but no permits were issued until after the sale). This property received Mitigated Determination of Non-significance (MDNS) through city of Tumwater prior to the sale. The existing/in-progress buildings are currently being leased, and the second phase of development will begin once this has occurred.

### Location & Property Identification

Property Name:	Kelso Industrial Development Site
Sub-Property Type:	Commercial, Industrial
Address:	State Route 432
City/State/Zip:	Kelso, WA 98626
County:	Cowlitz
Market Orientation:	Suburban
IRR Event ID:	3270551



visibility. Purchased by an industrial development company for development.

### Sale Information

Sale Price:	\$14,402,788
Effective Sale Price:	\$14,402,788
Sale Date:	07/14/2023
Sale Status:	Closed
\$/Acre(Gross):	\$124,162
\$/Land SF(Gross):	\$2.85
Grantor/Seller:	Metro Land Development, Inc.
Grantee/Buyer:	Trammell Crow Company
Property Rights:	Fee Simple
Conditions of Sale:	Arm's-length
Verification Type:	Secondary Verification

### Improvement and Site Data

Legal/Tax/Parcel ID:	2-4385, 2-4095, 2-439101
Acres(Gross):	116.00
Land-SF(Gross):	5,052,960
Zoning Code:	GC
Zoning Desc.:	General Commercial
Source of Land Info.:	Public Records

### Comments

Sale of 116 acres of industrial land in the southeastern corner of the interchange between State 432 and Interstate 5 in Kelso. The site is mostly level, at-grade, and cleared for development. The site has rail access as well as highway

### Location & Property Identification

Property Name: Blomberg Street Land  
Sub-Property Type: Commercial, Industrial  
Address: 9742 Blomberg St. SW.  
City/State/Zip: Tumwater, WA 98512  
County: Thurston

Market Orientation: Rural

IRR Event ID: 3199390



### Sale Information

Sale Price: \$3,411,619  
Effective Sale Price: \$3,411,619  
Sale Date: 06/02/2022  
Listing Price: \$3,397,680  
Sale Status: Closed  
\$/Acre(Gross): \$174,597  
\$/Land SF(Gross): \$4.01  
Grantor/Seller: FLAMINGO LINKS LLC  
Grantee/Buyer: I-5 BLOMBERG CC LLC  
Assets Sold: Real estate only  
Property Rights: Fee Simple  
Document Type: Bargain and Sale Deed  
Recording No.: E026499  
Verified By: Riley B. Steppe  
Verification Date: 02/08/2024  
Confirmation Source: Patricia Loveall (206) 817-5551  
Verification Type: Confirmed-Seller Broker  
Secondary Verific. Source: Assessor, CoStar, Data Service, Deed

Zoning Code: LI  
Zoning Desc.: Light Industrial  
Environmental Issues: No  
Flood Plain: No  
Utilities: Electricity  
Source of Land Info.: Public Records

### Comments

This is the June 2022 sale of 19.54 acres of light industrial land for \$3,411,476, or \$4.01/Sf of land area. The property was originally listed for \$3,397,680. The property was reported to have a development potential of 320,000 - 340,000 SF of building area. Electricity and gas are available to the site, but sewer would need to be extended or a septic system installed. This property is about one mile from I-5. The proposed site plan included a 328,876 SF warehouse/industrial building at the center of the site, with parking around the perimeter and access from the western abutting roadway. This property is composed of two parcels, is heavily treed, and generally level, with a rectangular shape. The zoning allows for a height of 65 feet and a lot coverage of 85%.

### Improvement and Site Data

Legal/Tax/Parcel ID: 12721230200  
Acres(Gross): 19.54  
Land-SF(Gross): 851,162  
Vegetation: Trees and grasses  
Corner Lot: No



### Location & Property Identification

Property Name:	Pegasus Maytown Industrial
Sub-Property Type:	Commercial, Industrial
Address:	3701 Maytown Rd.SW.
City/State/Zip:	Maytown, WA 98512
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3270871



Source of Land Info.:

Public Records

### Sale Information

Sale Price:	\$1,900,000
Effective Sale Price:	\$1,900,000
Sale Date:	03/21/2022
Sale Status:	Closed
\$/Acre(Gross):	\$28,507
\$/Land SF(Gross):	\$0.65
\$/Acre(Usable):	\$28,507
\$/Land SF(Usable):	\$0.65
Grantor/Seller:	Killingsworth LLC
Grantee/Buyer:	Pegasus Land Holdings LLC
Assemblage:	Yes
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Conditions of Sale:	Assemblage
Document Type:	Warranty Deed
Recording No.:	4921192 and 4863034
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, NWMLS

### Comments

Assemblage of land zoned RRI in Maytown at the I-5 interchange. Site has frontage on both Interstate 5 and Maytown Road SW. The property was purchased by a single buyer in two separate transactions from the same seller. The southern parcel, which is about 52 acre, sold for \$800,000 in July 2021. The fronting parcel that provides direct access to Maytown Road, is about 15 acres and sold for \$1,100,000 in March 2022. The site unimproved and wooded.

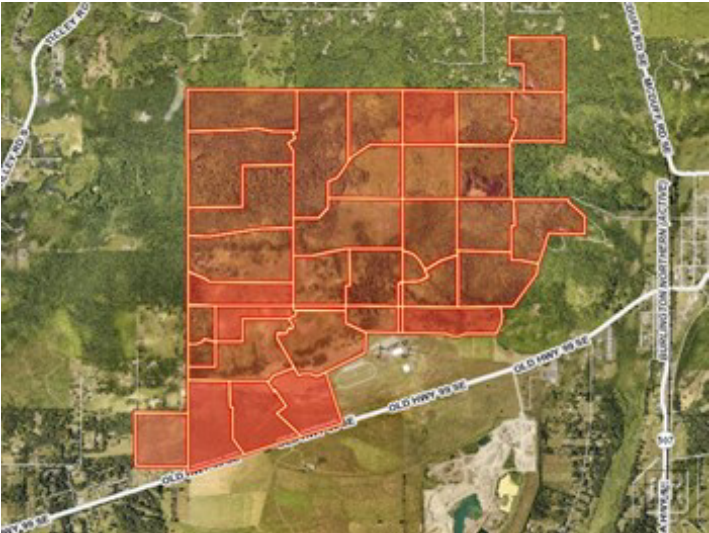
### Improvement and Site Data

Legal/Tax/Parcel ID:	12605420100 and 1260540200
Acres(Usable/Gross):	66.65/66.65
Land-SF(Usable/Gross):	2,903,274/2,903,274
Usable/Gross Ratio:	1.00
Zoning Code:	RRI
Zoning Desc.:	Industrial



Location & Property Identification

Property Name:	Tenino 1,568 acres Conservation Land
Sub-Property Type:	Specialty, Conservation/Preservation
Address:	Old Highway 99 SE.
City/State/Zip:	Tenino, WA 98589
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3269390



Sale Information

Sale Price:	\$12,870,000
Effective Sale Price:	\$12,870,000
Sale Date:	06/10/2021
Contract Date:	04/15/2021
Listing Price:	\$13,500,000
Listing Date:	09/22/2020
Sale Status:	Closed
\$/Acre(Gross):	\$8,208
\$/Land SF(Gross):	\$0.19
Grantor/Seller:	William E. Barnett
Grantee/Buyer:	The Conservation Fund
Property Rights:	Fee Simple
Conditions of Sale:	Arm's-length
Document Type:	Warranty Deed
Recording No.:	4855050
Verified By:	Lucy Jones
Verification Date:	08/28/2024
Confirmation Source:	Troy W. Dana, 360-402-5500
Verification Type:	Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID:	1262300-0400,-0500,-0600,-0700,-0800,-0900,-1500,-1600,-1800; 1262343-0100; 1262400-1100,-1200,-1300,-1400,-1900,-2000,-1000; 1262410-0100; 1262420-0200,-0300; 1262500-1900; 1262600-2500,-2700,-2600,-2800,-2900,-3000; 1262622-0000; 1262741-0000
Acres(Gross):	1,568.00
Land-SF(Gross):	68,302,080
Zoning Code:	R 1/20
Zoning Desc.:	Residential 20 acres
Source of Land Info.:	Public Records

Comments

Over 1,500 acres of undeveloped land in Thurston County. Has views of both Mt. Rainier and Mt. St. Helens. The topography and vegetation consists primarily of rolling grassy meadows. There is a herd of elk that live on the property. About 90 acres of the property is located within the Tenino city limits and are zoned Master Planned Community. The acres that are considered prairies are eligible for the sale of Pocket Gopher mitigation credits. The credits were valued between \$11,000 to \$14,000 in



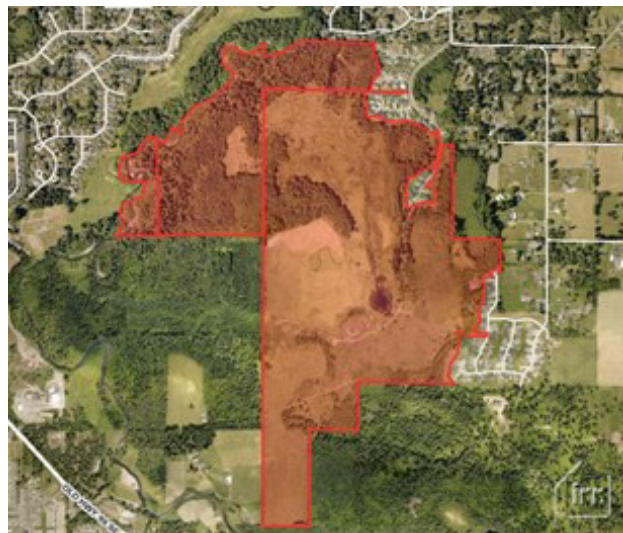
## Comments (Cont'd)

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2020. The property was listed in September 2020 and closed in June 2021. The property was purchased for 95% of asking by a conservation group that plans to sell the mitigation credits.

### Location & Property Identification

Property Name:	Deschutes River Preservation Site
Sub-Property Type:	Residential, Single Family Development Land
Address:	8535 Viewcrest Ln. SE.
City/State/Zip:	Olympia, WA 98501
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3270907



### Sale Information

Sale Price:	\$1,500,000
Effective Sale Price:	\$1,500,000
Sale Date:	12/30/2022
Sale Status:	Closed
\$/Acre(Gross):	\$4,085
\$/Land SF(Gross):	\$0.09
Grantor/Seller:	Scattercreek Development Corp
Grantee/Buyer:	Olympia Coalition for Ecosystem Preservation
Property Rights:	Fee Simple
Document Type:	Warranty Deed
Recording No.:	4963257
Verification Type:	Secondary Verification
Secondary Verific. Source:	NWMLS, Assessor

### Comments

Purchase of 367 acres of unimproved residential land for conservation. Site is a former farm with hay fields, timber, and wetlands. The buyer is the Olympia Coalition for Ecosystem Preservation, which intends to use the site for habitat conservation. The site has river frontage on the Deschutes River. The property was listed in February 2021 for \$2,000,000. The asking price was lowered to \$1,750,000 in August 2022 and the property went under contract in September 2022 before selling for 86% of the listing price.

### Improvement and Site Data

Legal/Tax/Parcel ID:	57250000005 and 57250000011
Acres(Gross):	367.18
Land-SF(Gross):	15,994,360
Zoning Code:	RRR 1/5
Zoning Desc.:	Rural Residential
Source of Land Info.:	Public Records

Location & Property Identification

Property Name:	Tumwater 120 acre Site
Sub-Property Type:	Specialty, Other
Address:	3540 Black Lake Blvd. SW.
City/State/Zip:	Tumwater, WA 98512
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	3269375



Sale Information

Sale Price:	\$435,000
Effective Sale Price:	\$435,000
Sale Date:	06/01/2023
Contract Date:	05/02/2023
Listing Price:	\$499,000
Listing Date:	04/13/2023
Sale Status:	Closed
\$/Acre(Gross):	\$3,608
\$/Land SF(Gross):	\$0.08
Grantor/Seller:	Black River Forestry Co LLC
Grantee/Buyer:	Benjamin & Dorothy Phillips
Property Rights:	Fee Simple
Verified By:	Lucy Jones
Verification Date:	08/28/2024
Confirmation Source:	Quint Newell, Olympic Sotheby's Realty, 360-688-8333
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	NWMLS

Improvement and Site Data

Legal/Tax/Parcel ID:	12830410400 and 12830130000
Acres(Gross):	120.56
Land-SF(Gross):	5,251,594
Source of Land Info.:	Public Records

Comments

Sale of over 120 acres of unimproved wooded land. Part of the site is impacted by transmission line easement. Other parts of the site can support low density residential development. There is some merchantable timber on site, a creek, and trails. Sloped topography. Listed in April 2023 and closed by the end of May 2023. Sold for 87% of asking. Buyers planned to build a residence on the site and a disc gold course that would utilize the area under the Bonneville Transmission lines. Multiple competing offers.

## Location &amp; Property Identification

Property Name:	115th Ave. SW
Sub-Property Type:	Residential
Address:	115th Ave.SW.
City/State/Zip:	Olympia, WA 98512
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	2793571



## Sale Information

Sale Price:	\$650,000
Effective Sale Price:	\$650,000
Sale Date:	05/06/2021
Sale Status:	Closed
\$/Acre(Gross):	\$5,336
\$/Land SF(Gross):	\$0.12
\$/Acre(Usable):	\$5,336
\$/Land SF(Usable):	\$0.12
Grantor/Seller:	Hicks Development LLC
Grantee/Buyer:	DSELF Properties Inc. (NW Green Construction Inc.)
Property Rights:	Fee Simple
Document Type:	Warranty Deed
Recording No.:	4848614
Verified By:	Maria L. Olson
Verification Date:	03/31/2022
Confirmation Source:	Muaz Yhaya, Premier RE Partners 253-509-8401
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, Deed, MLS

Land-SF(Usable/Gross):	5,306,479/5,306,479
Usable/Gross Ratio:	1.00
Shape:	Flag
Topography:	Rolling
Vegetation:	Trees and grasses
Zoning Code:	RRR 1/5
Zoning Desc.:	Rural Residential Resource 1 DU/5 acres
Utilities Desc.:	Well and septic needed, electricity in the street
Source of Land Info.:	Public Records

## Comments

This 121.82-acre rural residential resource property sold in May 2021 for \$650,000 or \$4,925 per acre. Preliminary plans show 24 5-acre sites are possible, reflecting a price of \$27,083 per lot. The property is three 40-acre parcels that form a flag shape. The original sale shows one parcel, but it has since been split into three. There is a small area of wetlands, but the majority of the property is buildable. The broker reported that the buyer is a developer and purchased the property to develop 24 residential lots.

## Improvement and Site Data

MSA:	Olympia-Tumwater, WA
Legal/Tax/Parcel ID:	13734110100, 13734110200, and 13734110300
Acres(Usable/Gross):	121.82/121.82



### Location & Property Identification

Property Name:	113th Ave. SW Land
Sub-Property Type:	Residential
Address:	113th Ave. SW.
City/State/Zip:	Olympia, WA 98512
County:	Thurston
Market Orientation:	Rural
IRR Event ID:	2781406



### Sale Information

Sale Price:	\$731,400
Effective Sale Price:	\$731,400
Sale Date:	10/14/2021
Sale Status:	Closed
\$/Acre(Gross):	\$6,095
\$/Land SF(Gross):	\$0.14
\$/Acre(Usable):	\$7,619
\$/Land SF(Usable):	\$0.17
Grantor/Seller:	Hicks Development LLC
Grantee/Buyer:	Hicks Enterprises
Property Rights:	Fee Simple
Document Type:	Warranty Deed
Recording No.:	4889173
Verified By:	Maria L. Olson
Verification Date:	03/08/2022
Confirmation Source:	Muaz Yhaya, Premier Real Estate Partners 253-509-8401
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, Data Service, Deed

Shape:	Rectangular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	No
Zoning Code:	RRR 1/5
Zoning Desc.:	Rural Residential Resource 1 DU/5 Acres
Easements:	No
Environmental Issues:	No
Flood Plain:	Yes
Flood Zone Designation:	A
Utilities:	Electricity
Utilities Desc.:	Water rights available, electricity in the street
Source of Land Info.:	Public Records

### Comments

This 120-acre site sold in October 2021 for \$731,400 or \$6,095 per acre. There are two streams that cross the property, one along the north side and the other along the south side. These streams create wetland areas that reduce the usable site area to 96 acres reflecting a price of \$7,619 per usable acre. A preliminary plan estimates approximately 16 estate lots could be built reflecting a price of \$45,713 per lot. Wetland reconnaissance was complete but a gopher soils report would be necessary before building. At the time of the sale the property had a tax designation of Agriculture. The site is level pasture land that is lightly treed. Water rights and electricity were available but septic/sewer were not. Although the grantor

### Improvement and Site Data

MSA:	Olympia-Tumwater, WA
Legal/Tax/Parcel ID:	12729340000
Acres(Usable/Gross):	96.00/120.00
Land-SF(Usable/Gross):	4,181,760/5,227,200
Usable/Gross Ratio:	0.80



### Comments (Cont'd)

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and grantee have a similar name they are not related. The broker confirmed that this was an arm's length transaction and sold at the asking price. The buyer intends to use the property as a tree farm.