Estimated Market Value

Old Brewhouse Complex

Boston Street

Tumwater, Washington

for

The City of Tumwater
555 Israel Road SW
Tumwater, Washington 98501

by

Gary K. Wessels, MAI
Edward O. Greer, MAI
GREER, PATTERSON & ASSOCIATES, INC.
Tacoma, Washington

Date of Value:	August 27, 1997
Date of Report:	December 5, 1997
Our File Number:	C 97 061

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Edward O. Greer, MAI

December 5, 1997

Mr. Leonard Bauer, AICP
Senior Planner
City of Tumwater
555 Israel Road SW
Tumwater, Washington 98501

Re: Old Brewhouse Complex
Boston Road
Tumwater, Washington

Our File Number: C 97 061

Dear Mr. Bauer:

In accordance with your request we have inspected the above mentioned property, which is described in this report, for the purpose of estimating the market value thereof. The property rights appraised are the fee simple estate. Please note that the value estimated is market value which is an economically driven value. This is generally considered to be the value agreed upon between a buyer and a seller, both knowledgeable and informed of the potential and limitations of the property, and of the general market of which this property is a part. Basic to this concept is that this is a value in exchange, based on the assumption that the property would be transferred by a sale. Any value estimated under these assumptions may differ from a value in use, the value of a property to a single particular user, or a value based on some non-economic basis.

Within this appraisal report you will find summaries of the data, the calculations and the conclusions upon which we based our final estimate of value.

We certify that to the best of our knowledge, the information in this report is correct, that nothing relevant has knowingly been withheld, that we have no present or contemplated future interest in the subject property, and that there are no prohibited influences on our conclusions. This report is completed in accordance with our understanding of the Federal appraisal regulations including compliance with the Uniform Standards of Professional Appraisal Practice. This is a complete appraisal presented in a self-contained format.

It is our opinion, based on the information contained in this report, that the estimated market value of the subject property, as of August 27, 1997 is:

ONE MILLION TWO HUNDRED THOUSAND DOLLARS
$1,200,000

This estimate of value is subject to the attached Assumptions and Limiting Conditions.

December 5, 1997

This value is also subject to the following Special Assumptions:

1) An additional access easement could be obtained from the adjacent property owner.

2) No wetlands or storm water studies were done on the site. If these were done, the findings may have significant effect on the value estimated.

3) This value estimate relied on information provided by other sources, including the cost of improving the access and the New Market Historic District Master Plan. If this information is incorrect, it could significantly affect the value estimated.

In addition, in this appraisal and analysis, consideration has not been given to the possible existence of asbestos or other toxic, hazardous or contaminated substances, or the cost of encapsulation or removal thereof.

Very truly yours,

GREER, PATTERSON & ASSOCIATES, INC.

Gary K. Wessels, MAI
State-certified General Real Estate Appraiser
Number 270-11 WE-SS-EG-K467B6

Edward O. Greer, MAI
State-certified General Real Estate Appraiser
Number 270-11 GR-EE-RE-O610B9

GKW:kw/gc
Attachments

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ASSUMPTIONS AND LIMITING CONDITIONS

The legal description of the property under review, although furnished by reliable sources and assumed to be correct, has not been investigated and no responsibility is taken for its correctness.

No land surveys were ordered or made by the appraiser and the site dimensions and areas were taken from maps and data supplied by the client or available county records and are assumed correct.

This report is based on the premise that the title to the property is good and merchantable and that there are no liens, clouds or encumbrances against the title. No responsibility or liability is assumed for matters which are legal in nature, nor is any opinion on the title rendered herewith.

The appraisal of any value pertaining to oil or mineral rights has not been considered as a part of this report.

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structure or proposed structures which would render it more or less, valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.

If the water supply is other than a public source, it is assumed that the subject's water supply is adequate and consistent with the appropriate county and Washington State regulations. It is further assumed that the use and maintenance is governed by a mutual maintenance and water agreement.

Any maps, sketches or photographs included in this report are for illustration and as an aid in visualizing the property only.

No guarantee is made as to the accuracy of the estimates or opinion furnished by others, which have been used in making this appraisal. It is further assumed that the opinions, estimates and data contained in this report are accurate.

Possession of this report or any portion or copy thereof, does not carry with it the right to publication, nor may the same be used for any purpose by any but the client without the prior written consent of the appraiser and, in any event, only in its entirety.

The appraiser by reason of this appraisal, is not required to give testimony or attendance in court or at any governmental hearing with reference to the property appraised, unless arrangements have been made therefor.

Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or its designations (MAI, SRA), shall be disseminated to the public through advertising media, public relations media, news media or any other public means of communications, without the prior written consent and approval of the author.

This appraisal will not take into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances or the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, asbestos and/or existence of toxic waste on site which may or may not be present on the property and/or underground storage tanks (hazardous material), or the cost of encapsulation or removing thereof. The appraiser is not qualified to detect such substances and, thus, anyone acquiring a right, title or interest in the property should retain the services of a qualified, independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.

There is no contingent relationship between the fee for this report and the value reported. The purpose of this appraisal is to estimate the fair market value of the specific interest noted within the report unless otherwise stated in the report.

This value is as of August 27, 1997.

CERTIFICATION

In the course of our business we have routinely appraised various offices, apartments, warehouses, strip retail centers, bank buildings, restaurants, special use properties and residential properties in the Pierce County and southwest Washington areas. This, plus our continued education in the appraisal profession, makes us believe that we are competent and qualified to perform this type of assignment.

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

- the statements of fact contained in this report are true and correct.

- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased, professional analyses, opinions and conclusions.

- we have no present or prospective interest in the property that is the subject of this report.

- we have no personal interest or bias with respect to the parties involved.

- our compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

- this appraisal assignment, and/or any future employment prospects, is not based on any requested minimum valuation, a specific given valuation or approval of a loan.

- our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and in accordance with standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice as set forth by the appraisal foundation.

- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- as of the date of this report, Edward O. Greer and Gary K. Wessels have completed the requirements under the continuing education program of the Appraisal Institute.

- we have made a personal inspection of the property that is the subject of this report and all of the comparable sales analyzed herein. The research and collection of comparable data and valuation analyses were a collective effort by Edward O. Greer and Gary K. Wessels. The composition of the narrative portion of this report was prepared largely by Gary K. Wessels and reviewed in its entirety by Edward O. Greer.

- no one provided significant professional assistance to the persons signing this report.

Gary K. Wessels, MAI
State-certified General Real Estate Appraiser
Number 270-11 WE-SS-EG-K467B6

Edward O. Greer, MAI
State-certified General Real Estate Appraiser
Number 270-11 GR-EE-RE-O610B9

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Location:	Boston Street Tumwater, Thurston County, Washington
Property Type:	Historic Property: Old Olympia Brewery Improvements will consist of the following attached structures:

A. Keg House:	12,750 SF
B. East Add. Warehouse:	60,000 SF
C. Original Warehouse:	20,500 SF
D. West Add. Warehouse:	17,000 SF
E. Infill Warehouse:	22,000 SF
F. Brewhouse:	17,000 SF
G. Storage Structure:	5,300 SF
Total:	154,550 SF

Zoning:	HC, Historical Commercial
Effective Date:	August 27, 1997
Site Data:	The site is a reported 34.94 acres of gross area in size. Of this an estimated 6.9 acres or 300,000 square feet, more or less, is considered to be net usable area.
Highest and Best Use:	Current warehousing use
Estimated Market Value:	$1,200,000
Special Assumption	This value estimate assumes:

1) An additional access easement could be obtained from the adjacent property owner.

2) No wetlands or storm water studies were done on the site. If these were done, the findings may have significant effect on the value estimated.

3) This value estimate relied on information provided by other sources, including the cost of improving the access and the New Market Historic District Master Plan. If this information is incorrect, it could significantly affect the value estimated.

GENERAL INFORMATION

IDENTIFICATION OF THE PROPERTY

The subject property is located off the north end of Boston Street north of its intersection with Custer Way, in the city of Tumwater, Thurston County, in the state of Washington. It can also be described as being Thurston County Assessor's Parcel Numbers 7810-01-00100, 7810-02-00000, 7810-03-00000, 7810-04-00000, 7810-05-00100, 7810-05-00200, 7810-06-00000, 7810-07-00000 and 7810-11-00200. A full legal description was not provided to the appraisers, but this property is also shown on the Parcel Map which follows.

OSTENSIBLE OWNERS AND SALES HISTORY

According to the Assessor's records, it appears that the title to the property is currently vested in Pabst Brewing Company and there appear to have been no transfers in title for the past three years.

PURPOSE AND USE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property. It is our understanding that this estimate of value will be used by the client in sales price negotiations with the subject's owner.

DISCLOSURE OF CLIENT, INTENDED USER(S) AND INTENDED USE:

The term "Client" is defined as:

> *The party or parties who engage an appraiser (by employment or contract) in a specific assignment.*

The term "Intended User" is defined as:

> *The client and any other party as identified, by name or type, as users of the appraisal, consulting, or review report, by the appraiser based on communication with the client at the time of the assignment.*

The term "Intended Use" is defined as:

> *The use or uses of an appraiser's reported appraisal, consulting, or review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.*

All of the above terms are defined in Uniform Standards of Professional Appraisal Practice, 1997 Edition.

The intended client of this report is the City of Tumwater, including Leonard Bauer.

SCOPE OF THE REPORT

This is considered to be a complete appraisal as defined by the Appraisal Institute in their Uniform Standards of Professional Appraisal Practice. The format the appraisal is presented in is a self contained report. As such, sales and rental data was collected from various sources including public records and private data sources. The data presented in this report represents the properties which are considered to be the best alternative or substitute properties for the subject. All sales data in this report was confirmed, whenever practicable, with the parties involved, along with public records. In this report, the data relied on and the reasoning leading to the value estimate have been presented.

DEFINITION OF FAIR MARKET VALUE

According to Washington State law (Washington Pattern Instruction 150.08) "Fair Market Value" is defined as:

> *The amount in cash which a well-informed buyer, willing but not obliged to buy the property, would pay, and which a well-informed seller, willing but not obligated to sell it, would accept, taking into consideration all uses to which the property is adapted or may be reasonably adaptable.*

PROPERTY RIGHTS APPRAISED

The property rights being appraised are those held in fee simple estate. By definition, "fee simple estate" is:

> *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.*

This definition is contained in The Dictionary of Real Estate Appraisal, Third Edition, which was copyrighted by the Appraisal Institute in 1993.

PERSONAL PROPERTY

The presence of personal property on the subject site, if any, has not been considered in this appraisal.

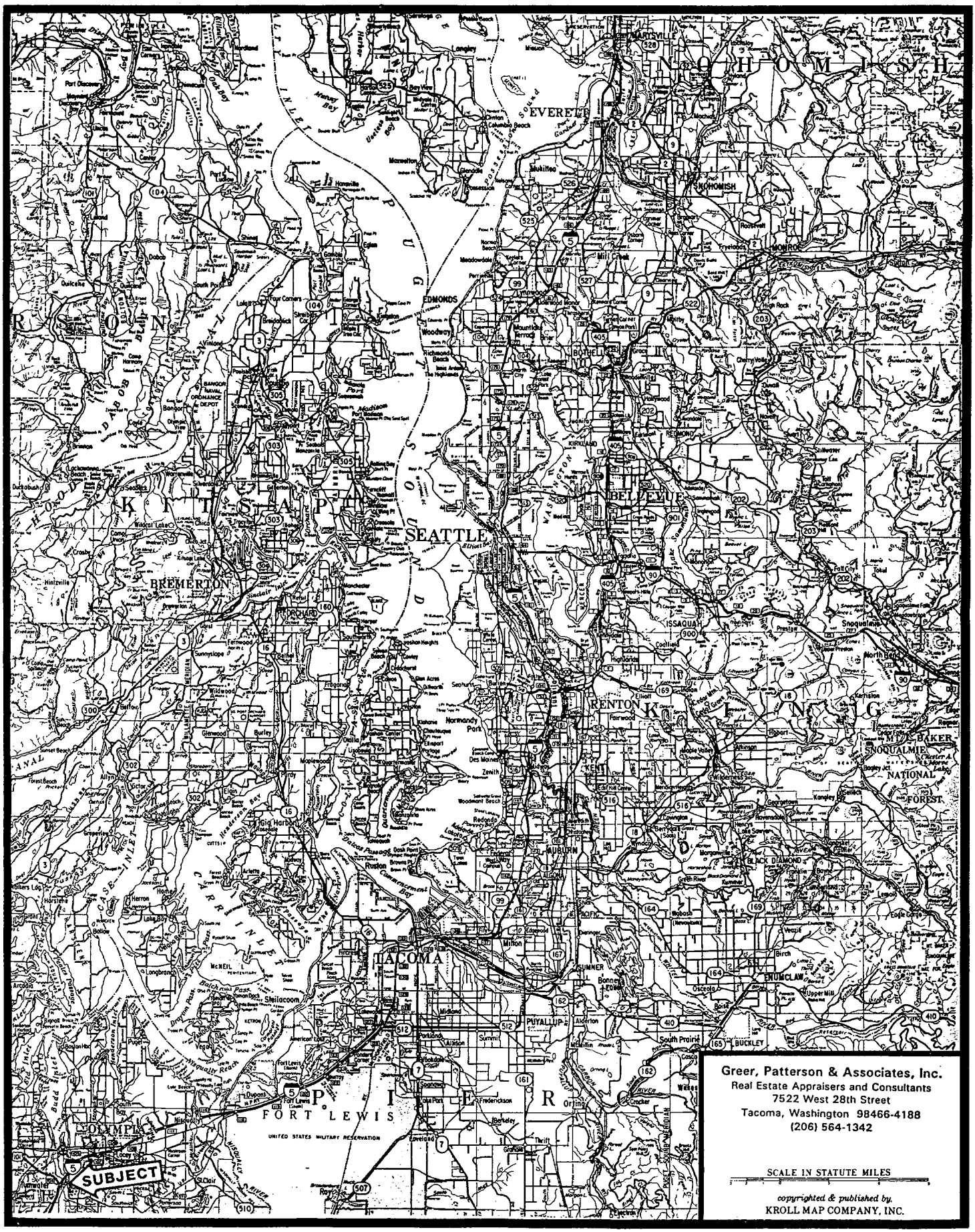
MAP REFERENCES

The subject site is shown in the Totem Atlas of Thurston County, Page 46, at coordinates M-14.

DATE OF THE APPRAISAL

The effective date of valuation is August 27, 1997, which was the date the property was inspected by Gary K. Wessels and Edward O. Greer, in the company of Don R. Eckloff, the owner's representative.

REGIONAL MAP



REGIONAL DESCRIPTION

Introduction

The subject is located in the State of Washington in the Pacific Northwest, which also includes the states of Oregon, Idaho and Montana. The Pacific Northwest is a large area, comprising approximately 10% of the land mass of the United States and containing within its boundaries a great diversity of topography, climate and industry. According to 1996 figures, the population of the Pacific Northwest as of January 1995 was approximately 10,520,000, with the State of Washington having a 1995 population of 5,429,800. This figure represents a small portion of the national population, considering the geographic size of the region.

The Pacific Northwest is divided into three major geographical areas containing 80% of the region's population. These areas include the Puget Sound Basin, the Lower Columbia River Basin and the Inland Empire. Each area is more readily defined by the metropolitan corridors of Seattle/Tacoma, Portland/Eugene and the City of Spokane, respectively. These population centers have experienced good growth based upon a diversity of natural resources and industrial activity.

The subject is located in the Puget Sound Basin, an area which is separated from the remainder of the State of Washington by the Cascade Mountain Range, and extends from Canada on the north to the southern border of the State. The 13 counties within the Sound area account for less than a quarter of the total land area of the State but contain 65% of Washington State's population.

Climate

The Puget Sound Basin, of which Pierce County is a part, has one of the most equable climates in the world. Summer and winter mean temperatures are 66 degrees and 38 degrees Fahrenheit, respectively. Maximum temperatures in the summer rarely exceed 85 degrees Fahrenheit and subfreezing temperatures are infrequent during the winter. Average annual rainfall is approximately 37.6 inches with 75% of the precipitation occurring between October and March.

General Trends

Perhaps the most important economic factor relating to the Puget Sound region and Washington State is geography. Being located in the extreme northwestern portion of the continental United States, Washington State provides the closest access to the Pacific Rim countries. Containing several of the best deepwater port facilities found in the world, the inland waters of Puget Sound provide a natural terminus for the nation's foreign trade. Total yearly tonnage imported and exported by the Port of Tacoma in 1992 was 13,300,000, and its 1995 total had increased to 15,000,000.

The Boeing Company, with plants located from Central Pierce County to Everett to the north, is recognized as a national aerospace leader. This company has been a major component to the Tacoma/Seattle/ Everett economies for years. Boeing's success in capturing new commercial aircraft orders since that market accelerated has brought the company record earnings, sales, backlogs and thousands of additional workers at the area plants. In January 1996 Boeing announced a positive employment stance and forecasted adding 6,700 workers in Washington through the end of 1996.

The Puget Sound region has historically relied upon the significant growth potential in the activities surrounding the timber industry. Recent emphasis on research and development is resulting in increasing production and potential sales in national and international markets for pulp and paper, paperboard, logs, log chips and lumber.

Another top growth industry for this area is tourism and recreation-oriented businesses. The Tacoma Dome, along with the natural attractions of the surrounding area which offer a myriad of recreational opportunities, has made the hospitality industry one of the fastest growing sectors of the South Puget Sound economy. A number of first class hotels were constructed in the early 1980's. Overall occupancy has not been as expected, and the area presently has an excess of tourist accommodations. However, the area is still developing convention and visitor business. The mild climate, scenic mountains and coastal areas provide a natural attraction for sportsmen and vacationers.

Traditionally, the low cost power resources and a plentiful industrial water supply were excellent attractions for the industrial development of this area. Declining salmon runs in the major river systems, and the steps necessary to protect the remaining stocks of these fisheries, have put the future of these resources in question. While this region still has relatively inexpensive electrical power in comparison to other parts of the nation, any future expansion of the power base will be at costs substantially above the low historic costs.

According to the Washington State Employment Security Department, wage and salary employment in Tacoma/Pierce County averaged 208,300 in 1994. Since 1983, the rate wage and salary employment growth has substantially exceeded the level for the state and the nation. The local unemployment rate peaked at 14% in February 1983 but has declined substantially since then. The local unemployment rate was 4.7% in June 1997 and 6.4% in June 1996.

The single largest category of employment in Pierce County, to the north of Thurston County, is governmental in nature. This is largely attributable to the armed services installations including Fort Lewis Army Reservation, McChord Air Force Base and Camp Murray. Fort Lewis is probably the largest permanent army post in the United States. Fort Lewis currently has a military, dependent, and retiree population (within 50 miles of the base) of approximately 62,500, with a

combined Fort Lewis payroll of approximately $893 million per year, including civilian employees. McChord Air Force Base has a combined military, family and retired, and civilian employee base of approximately 29,400, with a combined payroll of approximately $200 million per year, not including retired military.

There is also a significant amount of acreage available for industrial development both in the county and throughout the Tacoma/Pierce County area to the north. Much of this land is served by rail and fully serviced with utilities.

Industrial/commercial growth in the area includes the following:

- A planned community developing in south Pierce County involves the Weyerhaeuser Company and a 3,200 acre parcel of land south of Tacoma at DuPont. The 40-year project, Northwest Landing, will include schools, businesses and services and a residential community.

- In early 1993, State Farm Insurance purchased a large commercial tract in DuPont and announced plans to build a new regional office in this community. The facility opened in September 1995, and the company projects an employment figure of 500 by the end of 1997.

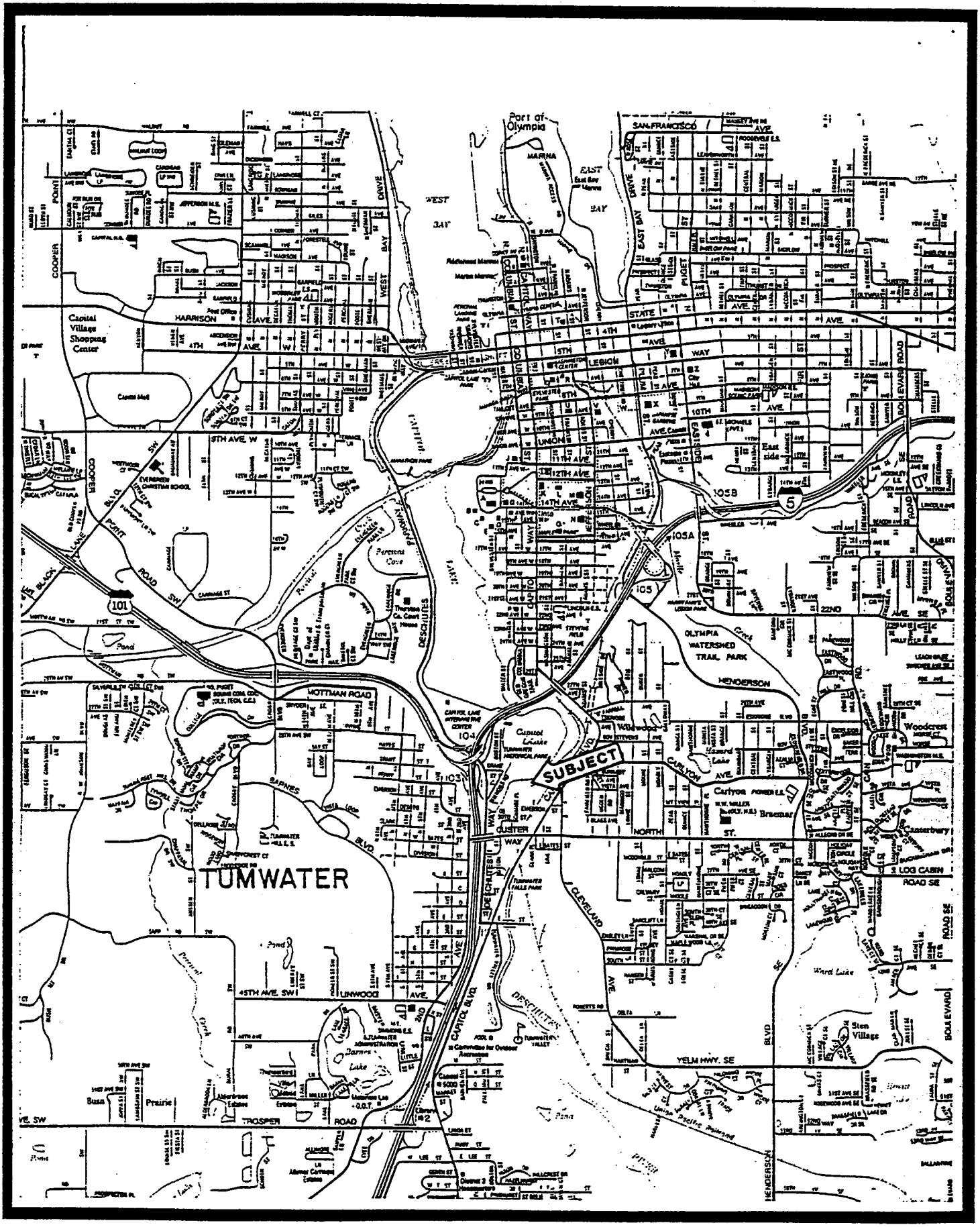
- Intel, a major computer chip maker, has opened a manufacturing, research and development facility in DuPont. This plant projects an employment level of about 6,000 jobs by the year 2,000.

Conclusion

The long term economic future of the South Puget Sound area appears good considering the expansion and diversification of industrial/manufacturing and trade activities on which the economy is based. Additionally, the area's economy is cornerstoned by two major military installations and the state government.

With stability of general economic conditions, it is felt that in the long run the Pacific Northwest region will continue to grow due to its excellent livability. The area has continued to expand as a major seaport for the increasing trade with the Pacific Rim countries. The overall regional economic condition is expected to remain stable into the near future.

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

The subject property is located in the city of Tumwater in Thurston County. Thurston County is located in Western Washington at the south end of Puget Sound. This is south of Pierce County and north of Lewis County. It is situated along the I-5 corridor, which is the main automotive highway linking the west coast from Canada in the north to San Diego and Mexico in the south.

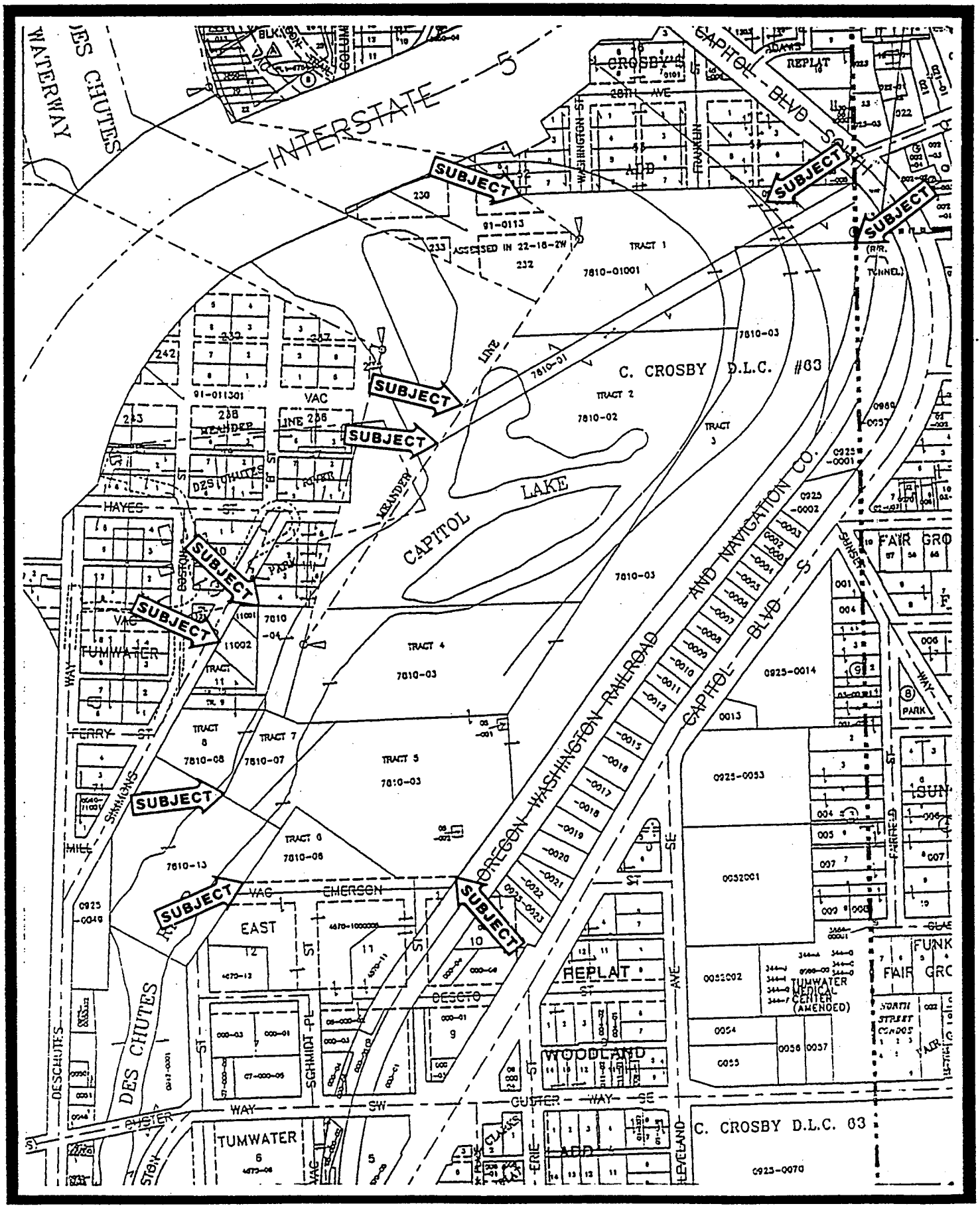
Thurston County has a population of about 193,000 as of 1996. The population has increased about 17% from 1990 to 1995. Within this county the main urban center is represented by the three adjacent cities of Olympia, Tumwater and Lacey. These three cities comprise the main urban area of the county and have most of the population. This is also the employment center of the county. The main employer in this urban area is the Washington State government. Centered in Olympia, the state government offices and various agencies are a dominant economic force in the area.

The per capita income for the county in 1994 was $21,101. This is less than the state average of $22,526. The average net earnings per worker for the county was $31,554 for the same year, with the state average being $32,426.

The subject property is located in the city of Tumwater south of the state government complex (in Olympia) along Capitol Way. The property is in the I-5 corridor with some visibility from the highway. Access to the interstate is circuitous.

There is a mix of land uses in the subject's immediate neighborhood. Along Capitol Boulevard (it changes from Way to Boulevard at the Olympia-Tumwater city line) there are a mix of commercial uses. To the east off the main street, the uses are generally residential. There are commercial uses along Custer Way also. South of Custer Way is the main Olympia Brewery complex.

SUBJECT PARCEL MAP



SUBJECT INFORMATION

SITE DESCRIPTION

The following description is based on a physical site inspection, on information received from the subject property's owner, from Thurston County officials and from public records. **Also, substantial information contained in this report has been obtained from a report provided to the appraisers from the City of Tumwater. This report is the "New Market Historic District Master Plan" prepared for the City of Tumwater by Hewitt Isley. This report is not dated but appears to date from 1993.**

Location: No street address is shown for the subject site, however it is situated at the north end of Boston Street, north of its intersection with Custer Way, in the city of Tumwater, Thurston County. No legal description was provided, but this property is shown on the Parcel Map which precedes this section.

Shape and Size: The subject site consists of nine contiguous parcels with a total reported size of 34.94 acres. The site is very irregular in shape. Due to the shape and topography, the net usable size of the site has been estimated by the appraisers at 300,000 square feet or 6.9 acres, more or less. Please note that this estimate of net usable size is based on the appraisers' review of the site plans, aerial photographs and the site inspection. There was no wetlands or sensitive lands survey completed on which to base this estimate. The size could change, which may affect our appraisal analysis, if these studies were to be completed.

Topography: The topography of the subject site is also very irregular. The majority of the site is a portion of Capitol Lake and the marshy wetland surrounding it. This lake is formed by the Deschutes River which is adjacent to the west of the subject property. There are also substantial steep slopes along the southern, eastern and northern property boundaries. The useable area of the site is generally the southern portion of the site. It appears that portions of this area may have been filled at some time in the past.

Soils: No soils report has been provided to the appraisers; however, it is assumed that anyone acquiring right, title or interest will perform his or her own soil survey. **This report assumes that the subject has adequate soils condition for development of any allowable uses under the current zoning. Additionally, no storm water study was performed as to the flexibility of providing an adequate storm water system for any redevelopment of the site.**

Hazardous Materials: Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, has not been considered. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. **The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may**

affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. It is suggested the client retain an expert in this field for any further clarification.

Utilities: It appears that all utilities are available to the subject site, including water, sanitary sewer service and electric power.

Easements and Encroachments: A current title report was not made available to the appraisers. From the site inspection, it appears that there are no adverse easements or encroachments impacting the site.

Access: The current access is from a private road running north from Custer Way. The initial portion of this road is on the public right of way for Boston Street. The remaining access area is through an easement across the neighboring property. The width of the Boston Street right-of-way is 60 feet. The width of the access easement is 30 feet. The road has an improved surface of about 12 feet in width. This road has slopes of 11 to 15 percent. This exceeds standard road grades and any change of use may require reconstruction of the road. For most uses other than the current uses of the subject, this is not considered to be an adequate access.

The city of Tumwater has provided the appraisers with cost estimates for two different types of improved road accesses. A copy of the cost estimates is included in the addenda. The costs of developing an access road meeting public road standards, including a traffic signal at Curtis Way, has been estimated at $1,023,000. To construct an access road to private road standards a cost of $355,400 has been estimated, excluding signalization at Curtis Way. To these estimates the appraisers have added the cost of a private road with the traffic signal at Curtis Way. The cost of this is estimated to be $515,400 for the private road including signalization. **To implement any type of enhanced access, the access easement would have to be widened from the current 30 feet to approximately 60 feet. This appraisal makes the assumption that this enhanced easement can be obtained.**

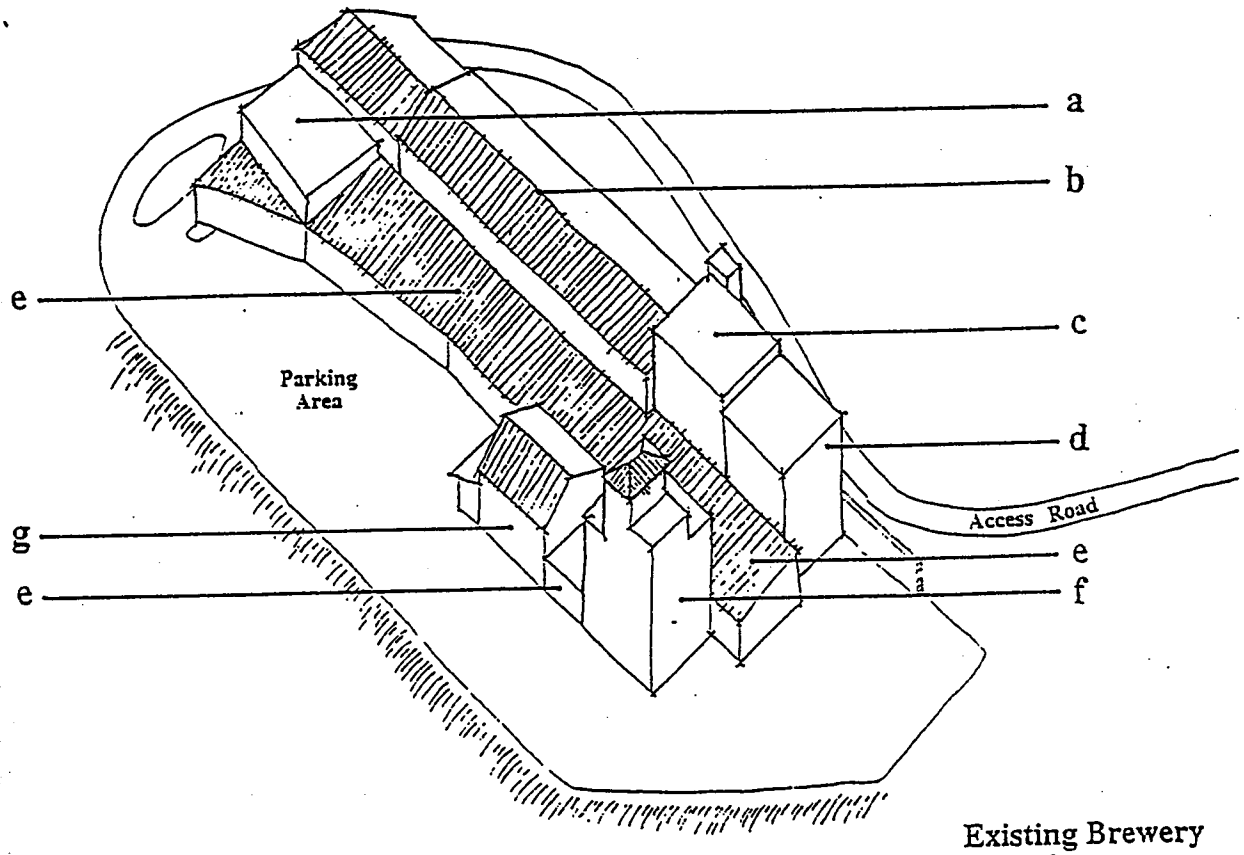
Zoning Regulations: The subject property is within the HC, Historical Commercial District of the city of Tumwater. This zoning is designed for New Market Historic District, of which the subject is a part. It was reportedly created to preserve the existing structures in this area, including the Old Brewhouse complex, and to allow it to be redeveloped and restored. To this end any application, to alter or restore or add, to this complex would have to have approval from the City Council and receive a certificate of appropriateness. The subject is also within an area which is listed in the National Register of Historic Places. The effect of this is primarily to include a review of any development plans for the subject if any federal money is involved.

Assessment and Tax Information: According to the Thurston County Assessor's records the subject property has the following assessed values and taxes as of the date of value:

	Assessed Values			
Parcel Number	Land	Improv.	Total	Taxes
7810-01-00100	$ 1,000	$0	$ 1,000	$ 25.58
7810-02-00000	$ 2,100	$0	$ 2,100	$ 46.10
7810-03-00000	$229,600	$0	$229,600	$3,670.82
7810-04-00000	$ 700	$0	$ 700	$ 18.40
7810-05-00100	$ 400	$0	$ 400	$ 13.64
7810-05-00200	$ 400	$0	$ 400	$ 13.64
7810-06-00000	$ 20,400	$0	$ 20,400	$ 332.42
7810-07-00000	$ 200	$0	$ 200	$ 10.84
7810-11-00200	$ 300	$0	$ 300	$ 12.04
Total	$255,100	$0	$255,100	$4,143.48

These are assessments noted in our research and may or may not be all that are applicable. It appears that the Assessor's office does not estimate that the improvements contribute any value to the overall property value. **We do not make any assurances as to the accuracy of these or other assessments which may be due on the property. Thus, anyone acquiring a title or interest must make his or her own determination as to the actual assessments which may be due on the property.**

BREWERY COMPLEX IMPROVEMENTS
(From New Market Historic District Master Plan)



Existing Brewery Complex

a Storage Structure, Keg House:
2 Storey Cast in Place Concrete Building

b East Addition, 2 Storey Warehouse:
5 Storey Masonry Structure

c Original Warehouse:
5 Storey Masonry Structure

d West Addition, Warehouse:
5 Storey Masonry Structure

e Infill Structure:
1 Storey

f Brewhouse:
5 Storey Masonry Structure

g Storage Structure, Gift Shop:
2 Storey Cast in Place Concrete Building

New Market Historic District Master Plan

IMPROVEMENT DESCRIPTION

The subject property consists of a large warehouse/industrial building, portions of which were constructed at varying dates. The original brewhouse portion was reportedly constructed in 1905. The remaining portions were reportedly constructed in at least three phases. The various portions are now all linked into a continuous building structure. The majority of the improvements are masonry, but some portions are poured in place concrete. Each of the portions will be discussed separately. The names of the various portions are the names used in the New Market Historic District Master Plan referenced previously.

The Keg House: This is a two story poured concrete structure which is a total of 12,750 square feet in size.

The East Addition Warehouse: This is a two-story masonry warehouse building. It has two portions to it, one 50,000 square feet in size and the other 10,000 square feet. There are steel beams and columns providing support. On the ground floor these are 16 feet on center. The center isle is about 20 feet in width. The ground floor ceiling height is about 20 feet. This is also the second floor beam height, with the ridge height reported to be 40 feet. The second floor has a clear span across the entire width. The smaller portion of the building has a ceiling height of about 18 feet.

The original warehouse: This is a five-story masonry building with a total size of 20,500 square feet. This structure has varying ceiling heights, from 7.5 feet to 13 feet.

The West addition Warehouse: This is a five-story masonry building with a total size of 17,000 square feet. The ceiling heights are generally the same as for the original warehouse. The elevator serving the building is located in this structure.

The Infill Warehouse: This is a single story warehouse which was reportedly built over time and fills in the spaces between the other structures. This building is an estimated 22,000 square feet in size.

The Brewhouse: This is the actual brewhouse structure. It is a five-story masonry structure. The reported size is 17,000 square feet. The ceiling height varies from floor to floor.

The storage structure: This is a two story poured concrete structure which is about 5,300 square feet in size. The appraisers did not obtain access to this structure.

These structures calculate out to a total building size of 154,550 square feet.

The condition of the various structures varies substantially. The brewhouse itself appears to be in the worst condition. This structure is missing portions of the roof and there appears to be substantial damage to the structure. The original warehouse and the west addition warehouses (the five-story structures) appear to be next in terms of physical deterioration. These structures also have some roof damage and water damage. These structures are also the ones considered to be the most historically significant. They are the oldest and show the most aging.

The infill warehouse appears to be next in terms of physical deterioration. This structure shows numerous roof leaks. However, there doesn't appear to be any significant amount of structural damage to this building.

The keg house and the east addition warehouse both are considered generally similar in levels of physical deterioration. Both of these structures appear to be in generally average condition with no apparent structural deterioration.

The storage structure was not inspected by the appraisers in the interior.

CURRENT USE OF IMPROVEMENTS

The property owners are currently using most of the subject improvements for storage. The only exceptions to this are the brewhouse building and the top floors of both the original warehouse and the west addition warehouse. In the top floors of these two building only minor items have been stored. The remaining areas of the subject are being utilized for storage. The most heavily utilized are the east addition warehouse, the infill warehouse and the storage structure. These are being used as general warehousing space. The other areas being used are used for old equipment storage, records storage and miscellaneous storage.

Although portions of them are being used, neither the original warehouse or the west addition warehouse are considered to be economically viable buildings. The same is true of the brewhouse building. This is due to the unlikeliness of any third party wanting to pay rent to occupy them or to buy them for a warehousing use. This leaves the remaining structures as being the economically viable structures for the current use. The size of these remaining structures is 100,050 square feet (154,550 SF total - 20,500 SF original warehouse - 17,000 SF west addition warehouse - 17,000 SF brewhouse).

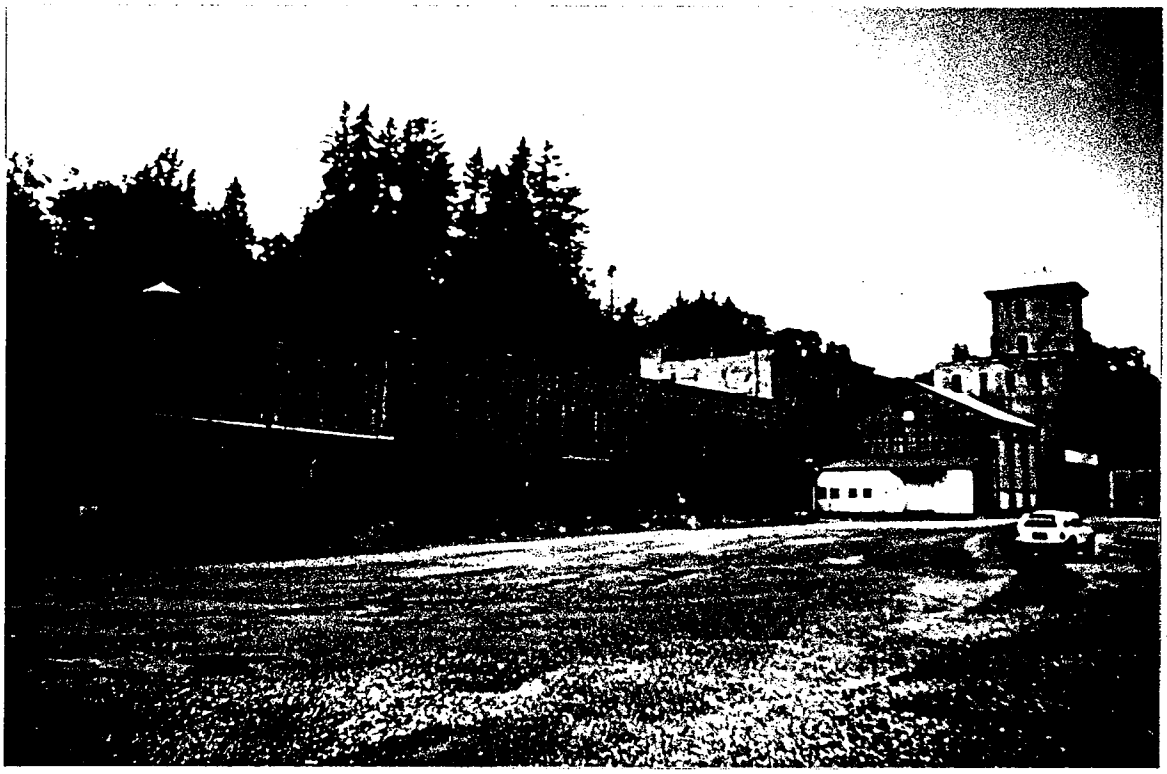
PROPOSED USE OF IMPROVEMENTS

According to the New Market Historic District Master Plan, referenced previously, this property has the potential to be redeveloped for various uses including a retail-commercial use, an office use, a mixed use including residential, or for some public use. The only portions which the Master Plan considers appropriate for these uses are the historical or architecturally significant portions of the property. These include the brewhouse (17,000 SF), the original warehouse (20,500 SF), the west addition warehouse (17,000 SF) and the main portion of the east addition warehouse (50,000 SF). This adds up to a total of 104,500 square feet.

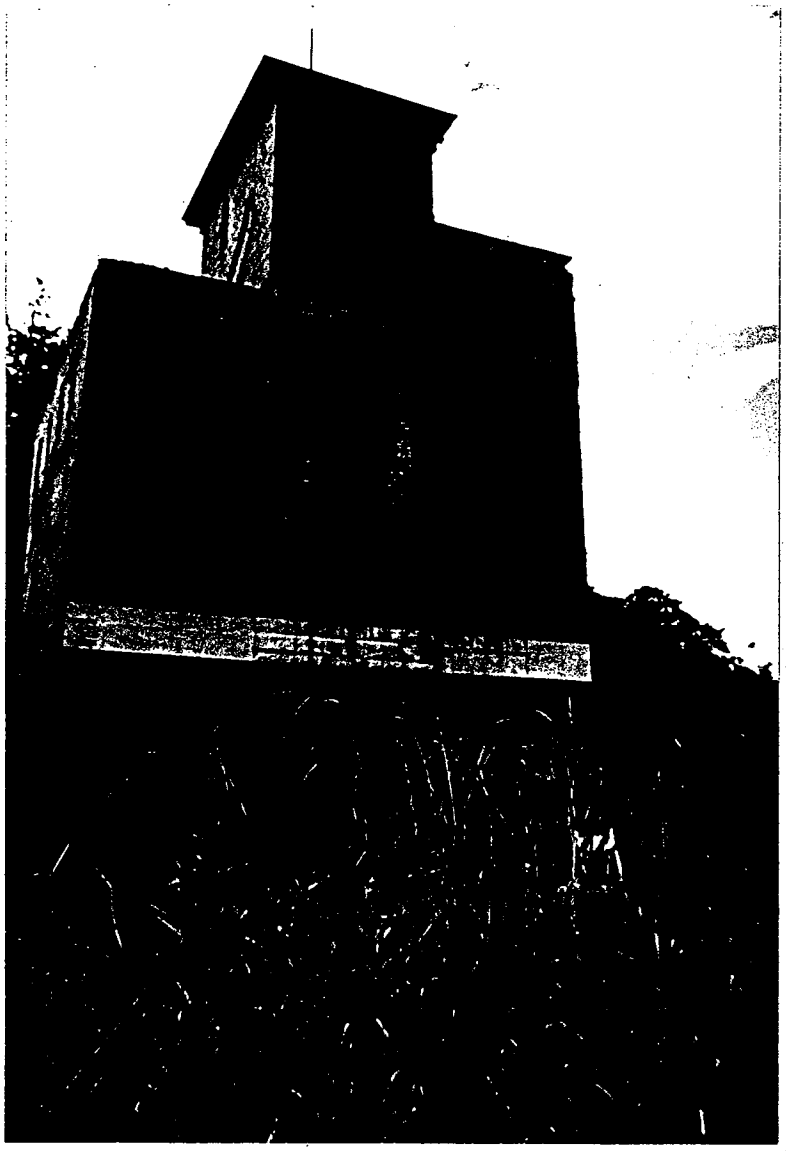
SITE IMPROVEMENTS

There are minimal site improvements. They consist of the improved access driveway and the gravel parking lot.

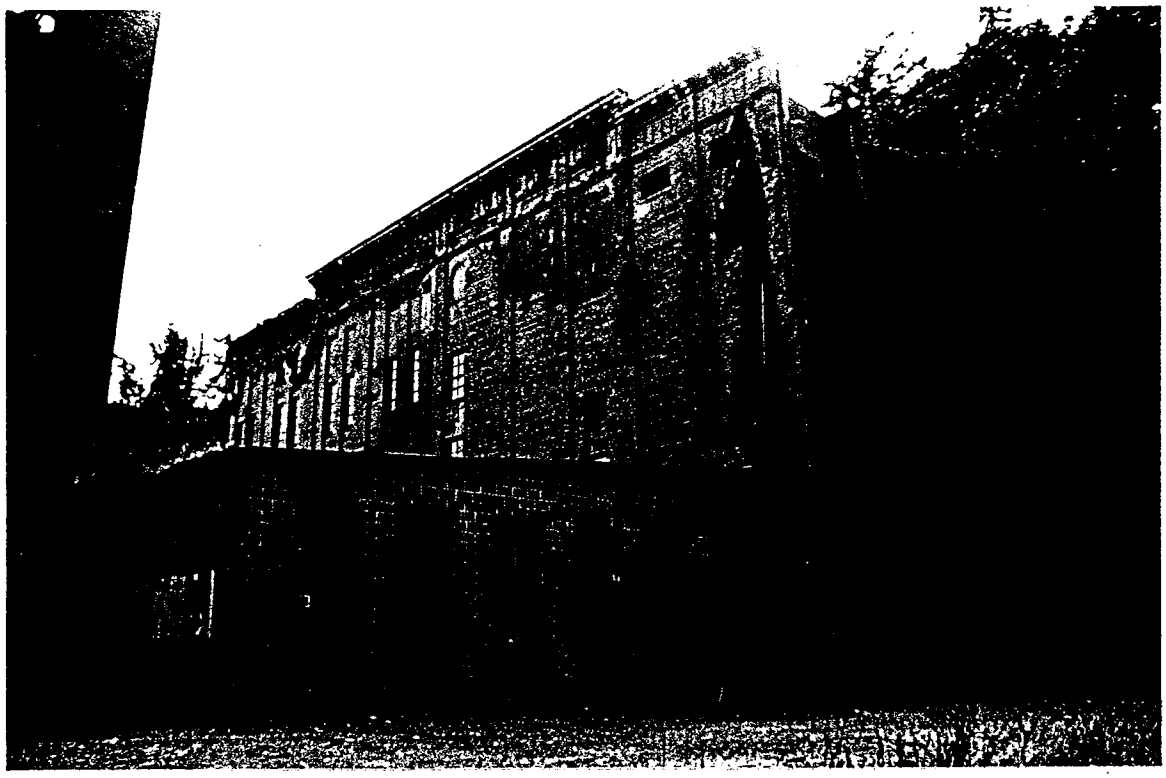
SUBJECT PHOTOGRAPHS



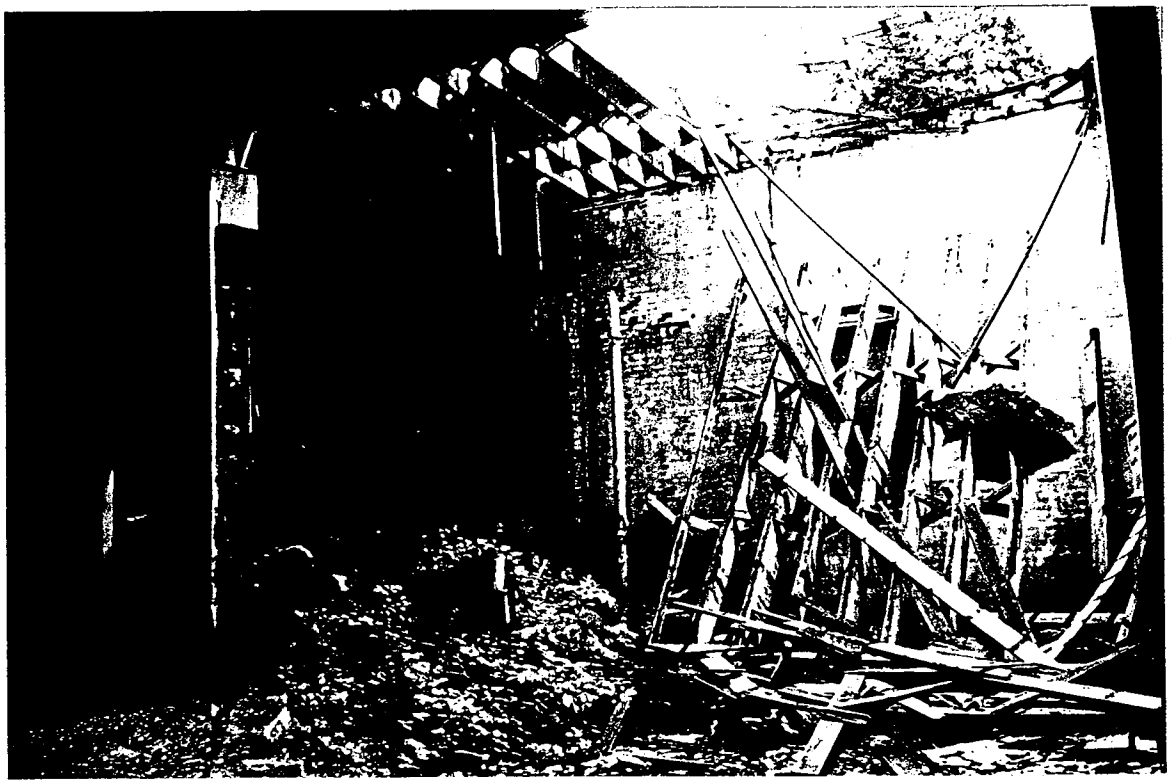
Old Brewhouse Complex



Brewhouse building



Original Warehouse and West Addition Warehouse with portion of Infill Warehouse

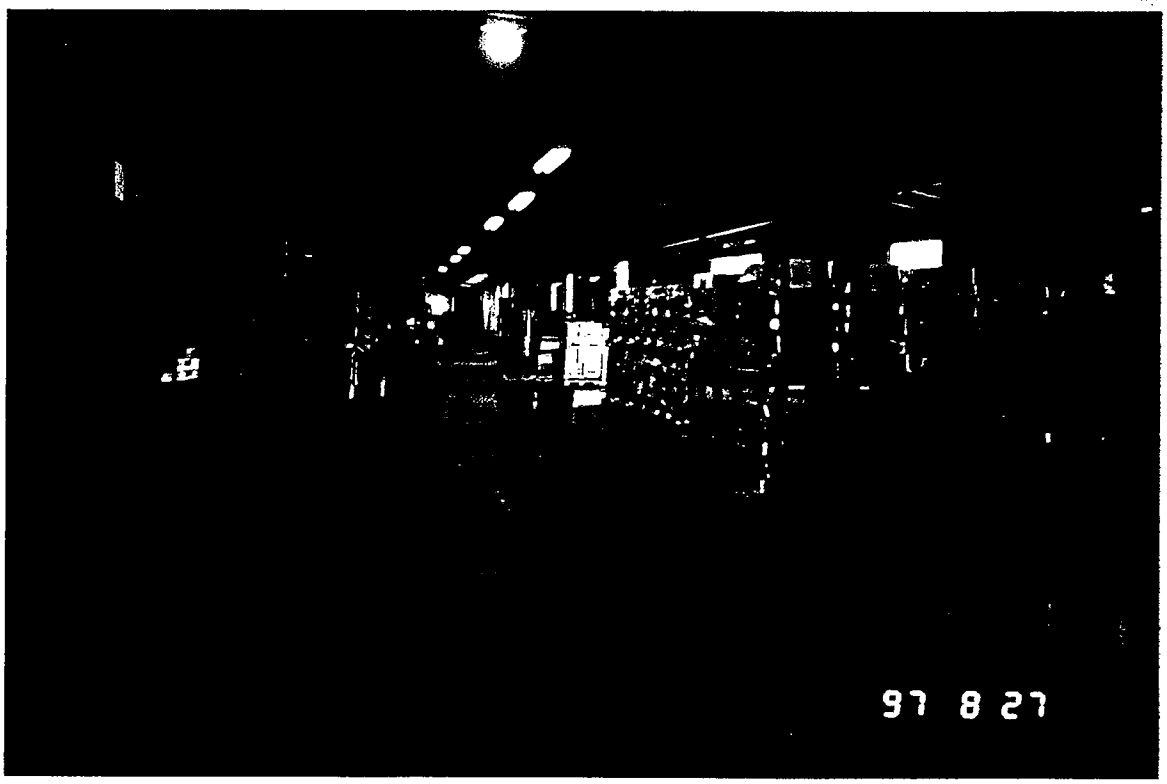


Collapsed roof in Brewhouse building

Second floor warehouse area of East Addition Warehouse

Ground floor of East Addition Warehouse

Typical upper floor in either Original or West Addition Warehouse



Interior of Infill Warehouse building

Interior of Keg House Warehouse area

HIGHEST AND BEST USE

Highest and best use as defined in The Appraisal of Real Estate, Tenth Edition, by the Appraisal Institute, 1992, is:

> *The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value.*

Our investigation leading to a conclusion of highest and best use was designed to simulate the actions and thinking of prudent and knowledgeable purchasers and pursued the following logical sequence.

1. *Legally Permissible: What uses are permitted by zoning and deed restrictions?*

2. *Physically Possible: What uses are physically possible for the site in question?*

3. *Financially Feasible: What possible and permissible uses will produce any net return to the land or site?*

4. *Maximally Productive: What use is most probable, not speculative or conjectural? There must be profitable demand for such use and it must return to the land the highest net return for the longest period of time.*

AS IF VACANT

In the analysis of highest and best use of the subject site, the appraisers have attempted to view the property as if it were vacant in order to estimate the type of development capable of generating the highest net return to the land.

The subject's zoning, HC, Historical Commercial, is a zoning which is tied to the existing improvements on the site. Without the improvements there may be no historical significance to the site. This zoning allows for the commercial development of the site which preserves the existing improvements as much as possible. Any development has to obtain the approval of the City Council. With this unique type of situation the normal highest and best use analysis as if vacant doesn't appear to match the relevant facts concerning the site. However, with the property's history and location, some type of commercial use would be expected. The physical limitations on the site are the effective size of the developable area and the access. Improved access appears to be possible, at the costs outlined previously. The effective size of the site, i.e., that area that could be used with the facility, has been roughly estimated by the appraisers at 300,000 square feet.

AS IMPROVED

The subject is currently improved with the old brewhouse complex as described previously. It is occupied by the owner for warehousing purposes. For this analysis various potential uses of the subject will be analyzed to help estimate the single use capable of generating the highest return. The uses analyzed will be a warehousing use, an office use, and a retail use. The method of analysis utilized will be an income capitalization method. Other potential uses for the redevelopment of the subject have been brought up. These include hotel and conference types of uses. These have not been analyzed because there is no evidence that there is any demand for these types of uses in this market area.

Warehousing Use

For this use the size used will be the 100,050 square feet estimated as being the economically viable size in the improvement section. Rents for this type of space have been estimated at $0.15 per square foot per month on a NNN basis. The rent comparables are in the valuation section which follows. Vacancy and collection loss and operating expenses have each been estimated at 15% of the EGI. An overall rate between 10% and 11% has been utilized. Under this scenario the current access is considered to be adequate. This valuation is summarized below.

Potential Gross Income: 100,050 SF X $.15/SF X 12 months	$180,090
Less Vacancy & Collection Loss: 15%	(27,014)
Effective Gross Income	$153,076
Expenses:	
Total - 15%	$ 22,961
Net Operating Income	$130,115

Income Capitalization

$130,115 ÷ 10.0% R_o = $1,301,150 to

$130,115 ÷ 11.0% R_o = $1,182,864

This value range is rounded to $1,200,000 to $1,300,000.

Office Use

For this use the size used will be the 104,500 square feet estimated as being the probable size for this type of redevelopment use in the improvement section. The most probable type of redevelopment for this use is estimated to be a mix of large space users and smaller space users. Based on a survey of office rents in the Thurston County area, rents for this type of office space have been estimated at $9.50 per square foot annually on a NNN basis. Although most

offices are rented on a full service basis, the conversion to a NNN basis makes for a more reliable estimate when the operating expenses for this type of redeveloped space are unknown. Vacancy and collection loss has been estimated at 5% and operating expenses have been estimated at 15% of the EGI. An overall rate between 10% and 11% has been utilized.

Under this scenario the current access is not considered to be adequate. The private road option with the traffic signal has been used. Also, the costs estimated to bring this property to a marketable condition as an office building have been deducted from the value estimate. These costs were estimated in the New Market Historic District Master Plan, referenced previously, as being $9,320,000 in 1993. These have been trended through the use of the Marshall Valuation services comparative cost index to a current cost of $10,429,000. This valuation is summarized below.

Potential Gross Income: 104,500 SF X $9.50/SF	$992,750
Less Vacancy & Collection Loss: 5%	(49,638)
Effective Gross Income	$943,112
Expenses:	
Total - 15%	$141,467
Net Operating Income	$801,645

Income Capitalization

$801,645 ÷ 10.0% R_o = $8,016,450 to

$801,645 ÷ 11.0% R_o = $7,287,682

This value range is rounded to $7,300,000 to $8,000,000. From these value estimates the $10,429,000 for repairs and upgrades and the $515,400 for access should be deducted. These two items total $10,944,400 or $10,944,000 rounded. Deducting these from the value estimates above results in an indicated value range of ($2,944,000) to ($3,644,000).

Retail Use

For this use the size used will be the 104,500 square feet estimated as being the probable size for this type of redevelopment use in the improvement section. A survey of retail rents in the Thurston County area was done for the probable types of space users. This property would probably include large space users, analogous to the big box users and smaller retail users. The rents for the big box type of users have been estimated at $9.50 per square foot annually on a NNN basis. The rents for the smaller retail users have been estimated at $15.00 per square foot annually on a NNN basis. Vacancy and collection loss has been estimated at 10% and operating expenses have been estimated at 15% of the EGI. An overall rate between 10% and 11% has been utilized.

Under this scenario the current access is not considered to be adequate. The public road option with the traffic signal has been used. With the amount of traffic expected to be generated by a retail use, this public road is considered necessary to handle the traffic and to provide clear, easy access. Also, the costs estimated to bring this property to a marketable condition as an office building have been deducted from the value estimate. These costs were estimated in the New Market Historic District Master Plan, referenced previously, as being $9,320,000 in 1993. These have been trended through the use of the Marshall Valuation services comparative cost index to a current cost of $10,429,000. This valuation is summarized below.

Potential Gross Income:	
50,000 SF X $9.50/SF	$ 475,000
54,500 SF X $15.00/SF	$ 817,500
Total Annual Income	$1,292,500
Less Vacancy & Collection Loss: 10%	(129,250)
Effective Gross Income	$1,163,250
Expenses:	
Total - 15%	$ 174,488
Net Operating Income	$ 988,762

Income Capitalization

$988,762 ÷ 10.0% R_o = $9,887,620 to

$988,762 ÷ 11.0% R_o = $8,988,745

This value range is rounded to $9,000,000 to $9,900,000. From these value estimates the $10,429,000 for repairs and upgrades and the $1,023,000 for the public road access should be deducted. These two items total $11,452,000. Deducting this from the value estimates above results in a value range of ($1,552,000) to ($2,452,000).

Highest and Best Use Conclusion

From this analysis it can be seen that the value estimate of the subject under its current use as a warehouse is in the range of $1,200,000 to $1,300,000, while the value estimates for the two most probable types of redevelopment are both negative values. Based on this analysis, the highest and best use of the subject property is estimated to be for the continued use of the improvements for a warehousing use. No other economic use would result in a higher net return to the property. This is the use on which the subject's valuation will be based.

APPROACHES TO VALUE

In any determination of value, data is sought in the local market on such factors as sales and offerings of similar or nearly similar properties and vacant tracts of land; current prices of construction materials and labor rates; rental of similar properties and their income and operating expense statements; and current rates of return on similar properties and investments.

From this data, a value may be developed both for the land and for the property as a whole. For the land, we typically employ the Sales Comparison Approach. For improved properties, several methods may be used: the Cost Approach, the Sales Comparison Approach or the Income Capitalization Approach.

For the subject property, only the Sales Comparison and the Income Capitalization Approaches will be used. Due to the age, condition and functional problems with the improvements, a Cost Approach, with its estimation of depreciation and obsolescence from all causes, is considered to have a very low reliability and to thus be of limited use in the valuation process.

LAND VALUATION

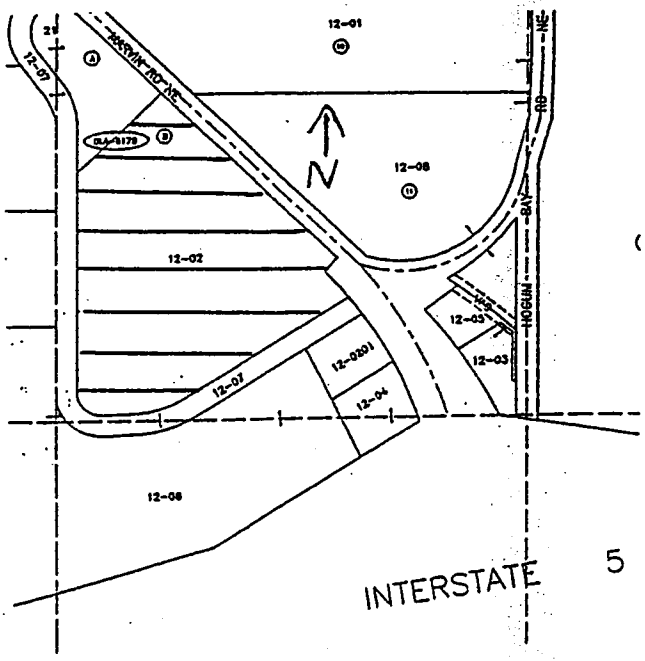
Land is generally valued as if vacant and available for development to its highest and best use. In this valuation the Sales Comparison Approach is used, which is a direct sales comparison of unimproved properties. These properties, when compared to the subject, are adjusted for various inequalities on an item by item basis. Location, size, date of sale, topography and soil conditions are some of the characteristics which generally require adjustments in the site analysis.

Land may be valued on a number of measurement bases: price per square foot, price per front foot, price per acre and price per buildable unit. In the present case, the sales price per square foot will be used as it appears to have the best correlation between the sales and the subject property, and it is the most common measurement of value used in the market for commercial office sites.

The following land sales are felt to be the most pertinent of those located in our search of the marketplace.

1. Location: Marvin Road NE and Hogum Bay Road NE, Lacey, Washington
   Totem Map, 42-F/27

2. a. Access: Marvin Road
   b. Present Use: Vacant
   c. H&B Use: Commercial
   d. Zoning: Hawk's Prairie Business District
   e. Dimensions: Irregular
   f. Area: 9.88 Ac; 430,373 SF
   g. Sale Date: 2/17/95
   h. Price: $860,000
   i. Instrument: Warranty Deed
   j. Terms: Cash to seller
   k. Excise Tax No.: 230531
   l. Grantor: Evergreen Sportsman's Club
   m. Grantee: Ron Sloy, et ux
   n. Confirmed: 10/24/97, Rob Kildow, Broker, 360-943-5079
   o. Date inspected: 8/29/97
   p. Photos taken (date):



3. Legal Description:
   Thurston County Assessor's Parcel Number 118-11-120200. A full legal description is retained in the appraiser's file.

4. Property Description:
   This is a vacant commercially-zoned parcel located on Marvin Road at the I-5 interchange. It was purchased for speculative holding and resale. All utilities are available at the site.

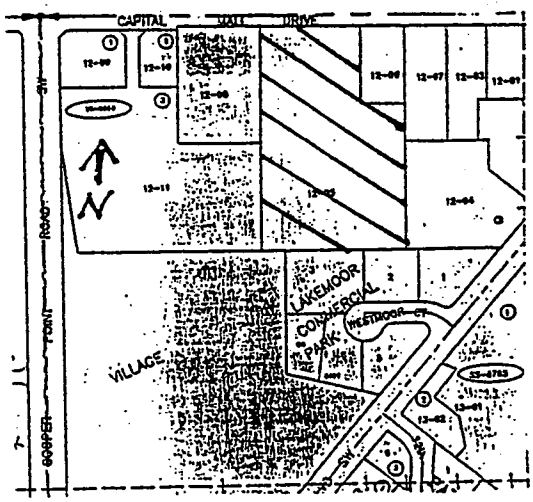
5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
430,373 SF	$860,000	$2.00/SF
	$_____	$_____
Improvements:		
	$_____	$_____
	$_____	$_____
Land Improvements:		
	$_____	$_____
Total Sale Price	$860,000	

kw/97 gkw

CL 95-02-09

1. Location: Capital Mall Drive, Olympia, Washington
   Totem Map, 45-K/11

2. a. Access: Capital Mall Drive
   b. Present Use: Vacant
   c. H&B Use: Commercial
   d. Zoning: Commercial
   e. Dimensions: Irregular
   f. Area: 5.01 Ac; 218,236 SF
   g. Sale Date: 1/13/95
   h. Price: $759,500
   i. Instrument: Warranty Deed
   j. Terms: Cash
   k. Excise Tax No.: 229874
   l. Grantor: West Olympia Commercial Properties
   m. Grantee: Circuit City Stores
   n. Confirmed: 10/28/97, Don Daniels,
      Seller, 360-357-3388
   o. Date inspected: 8/29/97
   p. Photos taken (date):



3. Legal Description:
   Thurston County Assessor's Parcel Number 128-21-120500. A full legal description is retained in the appraiser's file.

4. Property Description:
   This is a vacant commercially-zoned parcel which was purchased for development with a single-tenant, owner-occupied retail building. The site had sidewalks along the street and all utilities at the site.

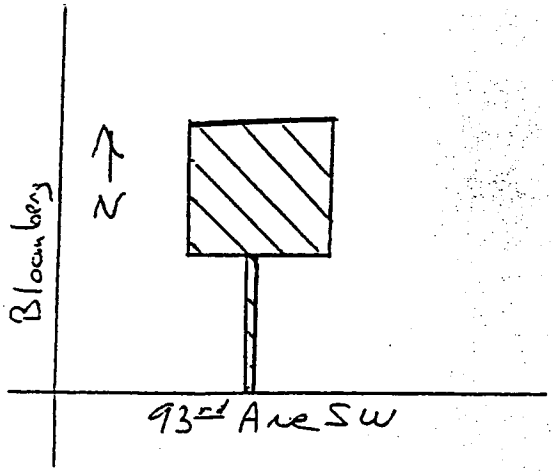
5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
218,236 SF	$759,500	$3.48/SF
	$_____	$_____
Improvements:		
	$_____	$_____
	$_____	$_____
Land Improvements:		
	$_____	$_____
Total Sale Price	$759,500	

kw/97 gkw

CL 95-01-02

1. Location: 93rd Avenue SW, Tumwater, Washington
   Totem Map 51-V/10

2. a. Access: 93rd Avenue SW
   b. Present Use: Vacant
   c. H&B Use: Industrial
   d. Zoning: Planned Industrial District
   e. Dimensions: Irregular
   f. Area: 11.1 Ac; 483,516 SF
   g. Sale Date: 9/23/94
   h. Price: $477,000
   i. Instrument: Warranty Deed
   j. Terms: Cash
   k. Excise Tax No.: 227234
   l. Grantor: Donald Thomas
   m. Grantee: Northwest Pipeline Corp.
   n. Confirmed: 8/29/97, Public Records
   o. Date inspected: 8/29/97
   p. Photos taken (date):



3. Legal Description:
   Thurston County Assessor's Parcel Number 127-16-330100. A full legal description is retained in the appraiser's file.

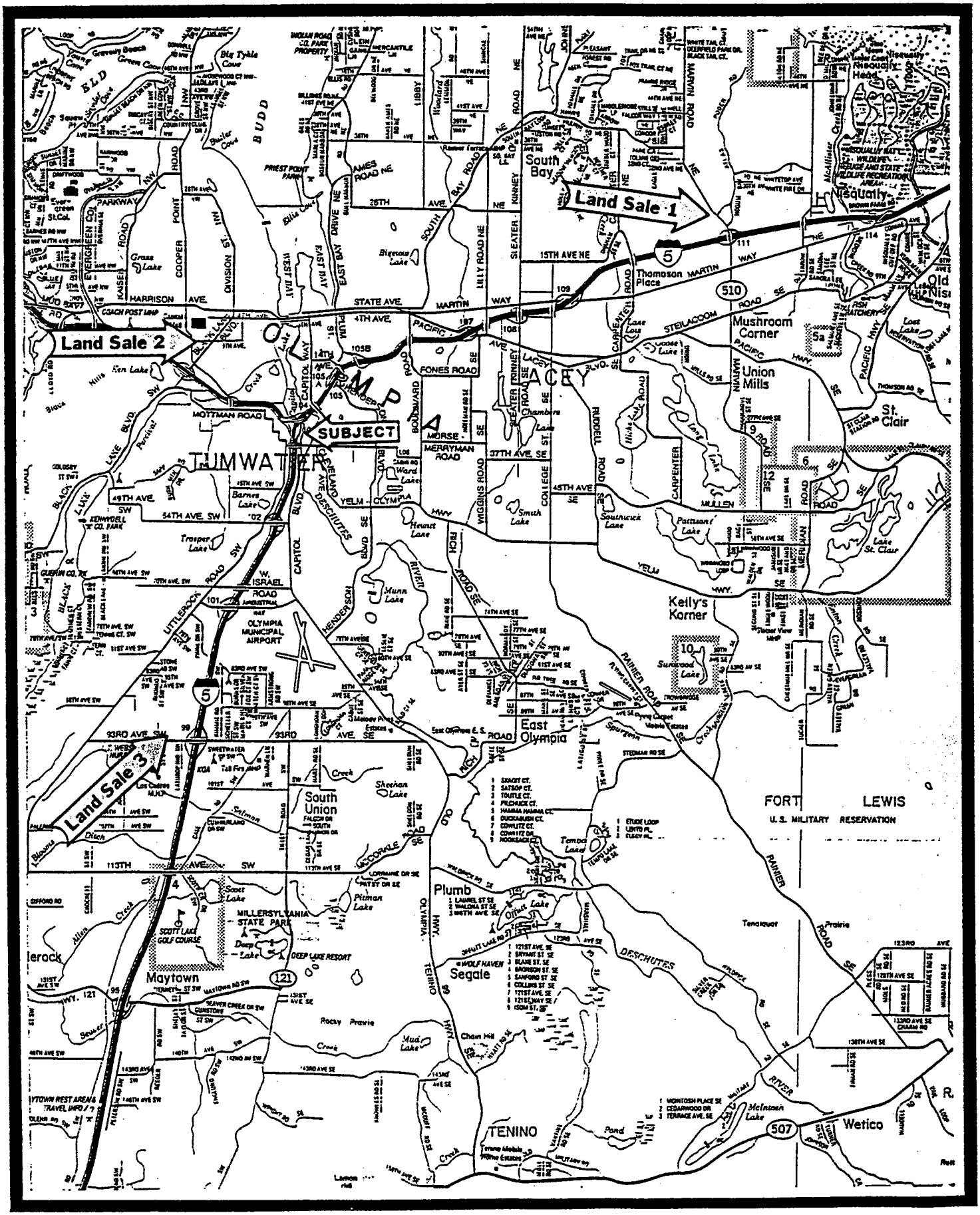
4. Property Description:
   This is a vacant industrially-zoned parcel which was purchased for development and use by the owner. The parcel is generally level. There are no sewers serving this site. Other utilities are available.

5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
483,516 SF	$477,000	$ .99/SF
	$_____	$_____
Improvements:		
	$_____	$_____
	$_____	$_____
Land Improvements:		
	$_____	$_____
Total Sale Price	$477,000	

kw/97 gkw

CL 94-09-03

COMPARABLE LAND SALES MAP



SUMMARY OF LAND SALES

Sale No.	Location	Sale Date	Sales Price	Area SF	Price/ SF
L-1	Marvin Rd NE & Hogum Bay Rd NE Lacey	2/95	$860,000	430,373	$2.00
L-2	Capitol Mall Drive Olympia	1/95	$759,500	218,236	$3.48
L-3	93rd Avenue SW Tumwater	9/94	$477,000	483,516	$0.99
Subj	Boston Way Tumwater			300,000	

LAND SALES COMMENTS

Sale L-1 is a commercially-zoned parcel located on Marvin Way at the interchange with I-5. This parcel has good street access and all utilities are available to it. It is located in an area anticipated to grow substantially in the near future. A new business park, Meridian Campus, is located close to this and should help fuel the growth for this area. This parcel is currently back on the market for $6.00 per square foot. This in part reflects the area's growth potential from the Hawk's Prairie commercial area to the south and Meridian Campus. Also at that price the seller is reported to expect that the purchaser would assume a proposed LID of $250,000 which is in the planning stages for improvements to the I-5 interchange with Marvin Road.

Sale L-2 is a commercially-zoned site located along Capitol Mall Drive across the street from the Capitol Mall. This site was purchased for development with a large retail store, Circuit City. The improved property has since been sold. This site is in a high demand retail area. The site had all utilities available to it.

Sale L-3 is an industrially-zoned site located along 93rd Avenue SW, west of the interchange with I-5. This site is located at what is generally the southern end of the Olympia-Tumwater urban area. This is a level site. There is no sewer service available at this location. All other utilities are available to it. There are numerous parcels of varying sizes currently available in this industrial area all with prices at or close to the $1.00 per square foot price. This would indicate no price appreciation for this area and type of land.

LAND VALUE CORRELATION

In general, sales of commercially- and industrially-zoned land were researched with the emphasis on sales which were at least five acres in size. From our research it appears that there is a size threshold in this market with parcels that are smaller than the five-acre, more or less, size being marketed at quite different prices than the parcels over this threshold level.

These sales show an overall range of value from about $0.99/SF to $3.48/SF, or about $1.00/SF to $3.50/SF. Of these the low end is represented by the industrial site. This relates to the current use of the subject property and would be a good substitute property for the current type of warehousing use. Sale L-1 at $2.00/SF has a commercial zoning which would allow for most types of retail uses. This site has no apparent obstacle to its development. With its proximity to the an I-5 interchange, it is considered to be in a substantially superior location. The current listing price of $6.00/SF shows the current interest in this area. Sale L-3 at $3.48/SF is in an established commercial area and shows the price levels for good commercial land. Due to the surrounding land uses, this is also considered to be a superior commercial location.

In addition to these sales, numerous current listings of commercial land were investigated. At the Meridian Campus business park, development-ready sites for either a light industrial or an office use are available in sizes from one acre and up. The prices asked for these sites is $3.50/SF. Along I-5 in the Olympia and Lacey area, there are several parcels available which are over four acres in size. Depending on highway access and visibility, the asking prices are in the $6.00/SF to $7.00/SF. At this price level there appears to be a combination of good improved access to the site, good highway visibility and close proximity to a highway interchange needed.

To relate these sales and listings to the subject site, the following items need to be considered. The subject has a zoning which doesn't allow any use outright; all alternate uses of the site have to go through a review process and get approval from the City Council. While there is some visibility from I-5, this visibility is limited. Access to the site from I-5 is quite circuitous. There is access to the subject for its current use, but any alternative use would require improving the access at costs ranging from about $355,000 to $1,023,000. With an estimated net usable area of 300,000 square feet, this cost range calculates out to $1.18/SF ($355,000 / 300,000 SF) to $3.41/SF.

On the side of positive attributes, the subject has a unique setting. It is in a location which has a lot of local identification. It also has a unique waterfront setting. Considering these factors would tend to put the subject's value at the upper end of the range. If this range for currently available land is in the $6.00/SF to $7.00/SF, considering the costs of access a value range of $2.60/SF ($6.00/SF - $3.40/SF access) to $3.60/SF ($7.00/SF - $3.40/SF access) is estimated. This calculates to a value range as shown:

300,000 SF X $2.60/SF =	$ 780,000 to
300,000 SF X $3.60/SF =	$1,080,000

Considering the site's waterfront and historic location, a value near the upper end is considered more appropriate. Thus, the market value of the subject site (land only) is estimated as being **$1,050,000** or $3.50/SF ($1,050,000 ÷ 300,000 SF) as of the date of value.

SALES COMPARISON APPROACH

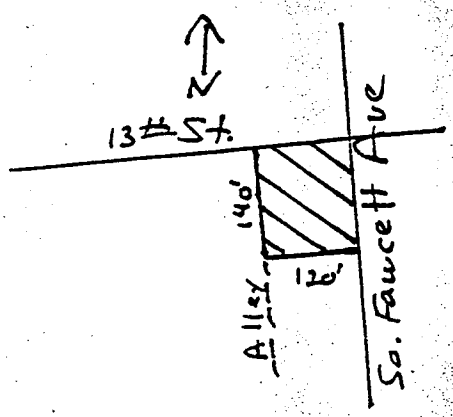
The direct sales comparison is based on the principle of substitution which assumes that a potential purchaser will pay no more for a property than would be expended in acquiring an existing property offering similar amenities and utility. This approach employs a direct comparison of similar properties which have recently sold through the use of units of comparison common to all of the sales, i.e., price per unit, price per room, price per square foot, gross rent multiplier and net income multiplier. The unit or units of comparison relied on in this approach are determined by the degree of correlation between sales and their similarity to the subject property.

The value estimate in the Sales Comparison Approach will be based on a range of prices developed from the sales. The unit of comparison used, the sales price per square foot of improvement, will be extracted by subtracting the estimated land and site improvement value from the sales price and then dividing by the building square footage. For this analysis the size used for the subject is the size estimated to be the economically viable size of 100,050 square feet.

COMPARABLE IMPROVED SALES

The following sales are utilized for comparison to the subject property.

1. Location: 1302-10 South Fawcett Avenue, Tacoma, Washington
   TB 773-G/5



2. a. Access: South Fawcett Avenue and South 13th Street
   b. Present Use: Vacant commercial/warehouse
   c. H&B Use: Commercial/warehouse
   d. Zoning: MC, Mixed Commercial
   e. Dimensions: 140' x 120'
   f. Area: 16,800 SF
   g. Sale Date: 1/19/96
   h. Price: $225,000
   i. Instrument: Warranty Deed
   j. Terms: $125,000 cash, balance seller financed
   k. Excise Tax No.: 905595
   l. Grantor: John Kist, et al
   m. Grantee: Ping Shaw, et ex
   n. Confirmed: 10/24/97, Rudy Kolar, Broker, 383-3990
   o. Date inspected: 10/21/97
   p. Photos taken (date):

3. Legal Description:
   Pierce County Assessor's Parcel Number 201310-001-0. A full legal description is retained in the appraiser's file.

4. Property Description:
   This property consists of two adjacent buildings, an old auditorium and a three-story, masonry loft-style building. In the loft building the ceiling height is 12 feet and there is a 16-foot span between beams. It is unheated and has no plumbing. The auditorium is a large auditorium with a mezzanine seating area. The overall condition is fair to below average.

5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
16,800 SF	$ 60,000	$ 3.57/SF
	$_____	$_____
Improvements:		
39,858 SF	$165,000	$ 4.14/SF
	$_____	$_____
Land Improvements:		
	$_____	$_____
Total Sale Price	$225,000	

kw/97 gkw

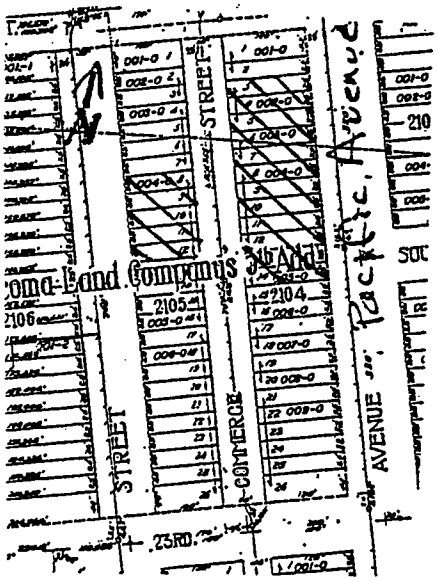
II 96-01-03
DT 96-01-01

December 5, 1

Sale I-2

1. Location: 2108-2126 Pacific Avenue, Tacoma, Washington
   TB 773-H/7

2. a. Access: Pacific Avenue and "C" Street
   b. Present Use: Commercial/warehouse
   c. H&B Use: Commercial/warehouse
   d. Zoning: Mixed Commercial
   e. Dimensions: Irregular
   f. Area: 49,750 SF
   g. Sale Date: 1/12/95
   h. Price: $1,225,000
   i. Instrument: Real Estate Contract
   j. Terms: $110,250 cash, balance seller financed at 7.5%, due in 4 years
   k. Excise Tax No.: 887394
   l. Grantor: Hunt & Mottet
   m. Grantee: Gilbert P. Gray
   n. Confirmed: 10/29/97, Jim Vest, Broker, 566-8073
   o. Date inspected: 10/21/97
   p. Photos taken (date):



3. Legal Description:
   Pierce County Assessor's Parcel Numbers 202104-002-0, 003-0, 004-0, 005-0 and 202105-004-0. A full legal description is retained in the appraiser's file.

4. Property Description:
   This property consists of four adjacent buildings along Pacific Avenue in downtown Tacoma. They are a mix of two- to seven-story, loft-style buildings. The ground floors are used for retail with storage use on the above floors. Substantial amounts are vacant. The purchaser moved from the area along Pacific Avenue which was acquired by the University of Washington. Two of the buildings are reported to be historic buildings. The overall condition of the structures is below average.

5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
49,750 SF	$ 500,000	$10.05/SF
	$_____	$_____
Improvements:		
160,100 SF	$ 685,000	$ 4.28/SF
	$_____	$_____
Land Improvements:		
Parking	$ 5,000	$_____
Roof Repairs	$ 35,000	$_____
Total Sale Price	$1,225,000	

DT 95-01-01
II 95-01-04
CR 95-01-04

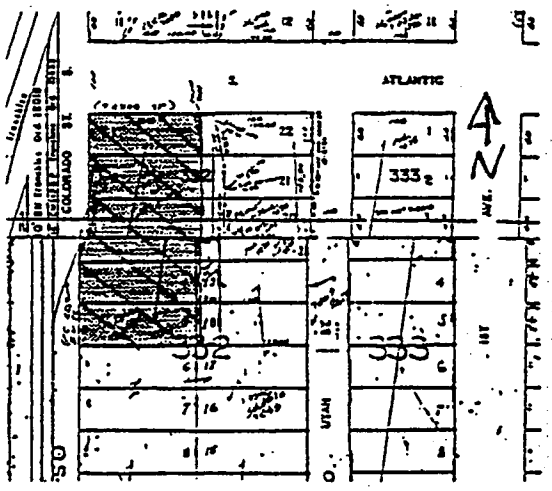
kw/97 gkw

December 5, 19

Sale I-3

1. Location: 55 South Atlantic Street, Seattle, Washington
   TB 594-J/1

2. a. Access: South Atlantic Street and Colorado Street South
   b. Present Use: Industrial
   c. H&B Use: Industrial/Warehousing
   d. Zoning: IG1U/8
   e. Dimensions: Irregular
   f. Area: 49,248 SF
   g. Sale Date: 6/9/95
   h. Price: $1,470,000
   i. Instrument: Warranty Deed
   j. Terms: Construction financing
   k. Excise Tax No.: 1432239
   l. Grantor: Bemis Company, Inc.
   m. Grantee: Somerset Properties
   n. Confirmed: 10/28/97, Vince DeLuca, Broker, 206-223-0866
   o. Date inspected: 10/21/97
   p. Photos taken (date):



3. Legal Description:
   King County Assessor's Parcel Number 7666620-7030. A full legal description is retained in the appraiser's file.

4. Property Description:
   This is an old, four-story, loft-style building which was purchased for redevelopment. At the time of sale, the condition was fair to below average. The property has been redeveloped into two floors of office/warehouse units and two floors of artist's live/work studios.

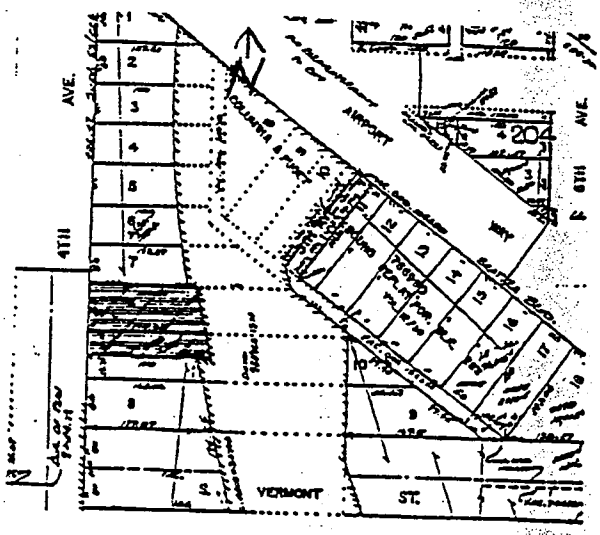
5. Analysis: (Extraction Data)	Total Value	Unit Value
Land: 49,248 SF	$ 880,000	$17.87/SF
	$	$
Improvements: 149,500 SF	$ 580,000	$ 3.88/SF
	$	$
Land Improvements: Parking	$ 10,000	$
Total Sale Price	$1,470,000	

II 95-06-03

kw/97 gkw

1. Location: 830 4th Avenue South, Seattle, Washington
   TB 565-A/7

2. a. Access: 4th Avenue South
   b. Present Use: Warehousing
   c. H&B Use: Office
   d. Zoning: IG2U/85
   e. Dimensions: Irregular
   f. Area: 13,122 SF
   g. Sale Date: 6/28/95
   h. Price: $1,100,000
   i. Instrument: Special Warranty Deed
   j. Terms: $400,000 cash, balance seller financed
   k. Excise Tax No.: 1434955
   l. Grantor: Seattle-First National Bank
   m. Grantee: Morris Associates
   n. Confirmed: 10/28/97, Vince DeLuca, Broker, 206-223-0866
   o. Date inspected: 10/21/97
   p. Photos taken (date):



3. Legal Description:
   King County Assessor's Parcel Number 766620-4820. A full legal description is retained in the appraiser's file.

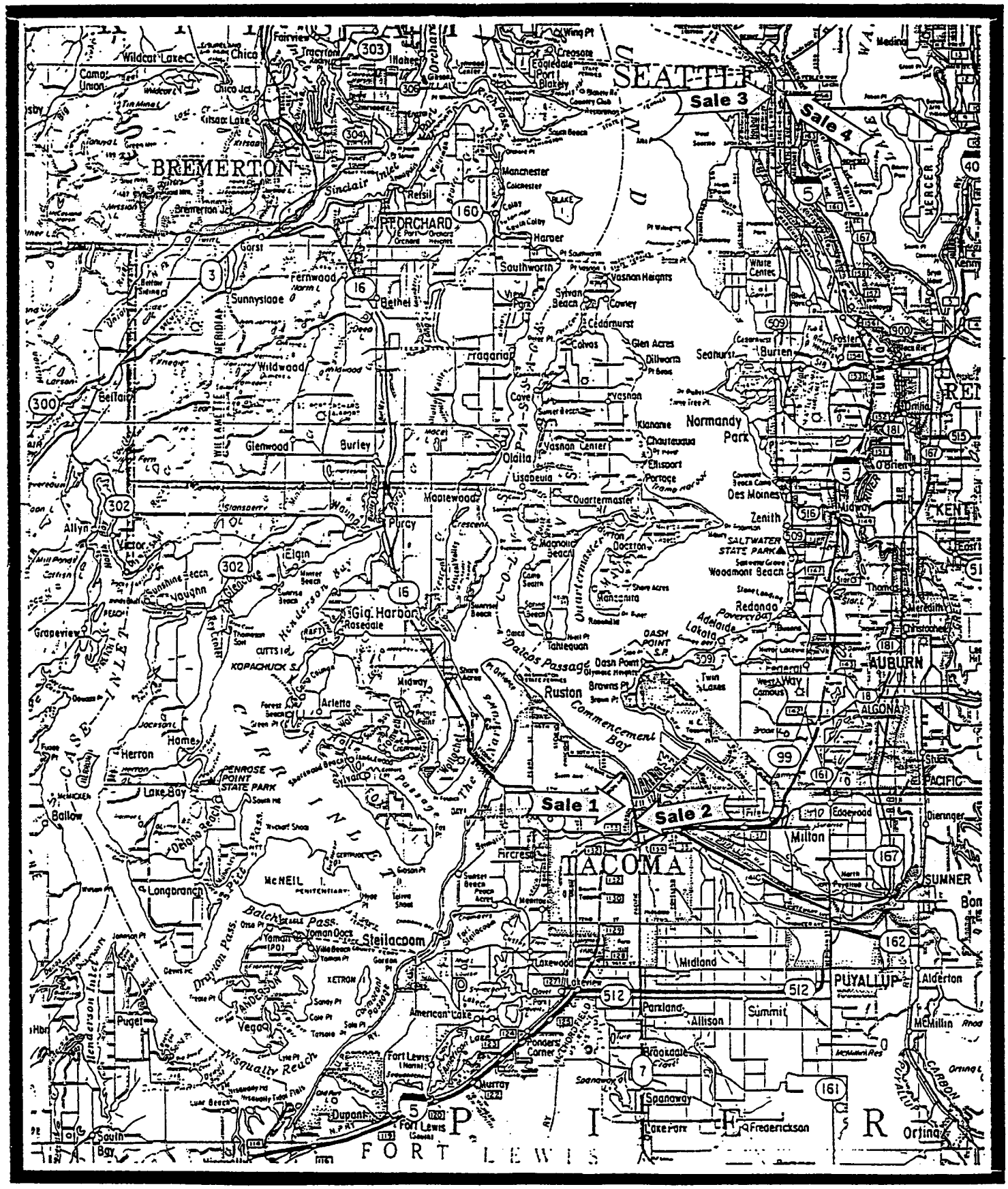
4. Property Description:
   This is an older, four-story, loft-style warehouse which was in fair to below average condition at the time of sale. It was purchased for redevelopment into offices.

5. Analysis: (Extraction Data)	Total Value	Unit Value
Land:		
13,122 SF	$ 260,000	$19.81/SF
	$	$
Improvements:		
51,480 SF	$ 835,000	$16.22/SF
	$	$
Land Improvements:		
Parking	$ 5,000	$
Total Sale Price	$1,100,000	

kw/97 gkw

II 95-06-02

COMPARABLE IMPROVED SALES MAP



SUMMARY OF IMPROVED SALES

Sale No.	Location	Sale Date	Sales Price	Improv. Size SF	Land Size SF	Price/ SF Imp
I-1	1302 South Fawcett Ave Tacoma	1/96	$ 225,000	39,888	16,800	$ 4.14
I-2	2108 Pacific Ave Tacoma	1/95	$1,225,000	160,100	49,750	$ 4.28
I-3	55 South Atlantic St Seattle	6/95	$1,470,000	149,500	49,248	$ 3.88
I-4	830 4th Avenue South Seattle	6/95	$1,100,000	51,480	13,122	$16.22
Subj	Boston Street Tumwater			100,050	300,000	

IMPROVED SALES COMMENTS

Sale I-1 is a property consisting of two adjacent buildings located in the periphery of the Tacoma downtown area. These are older buildings and are in generally fair to below average condition. One building is a multi-level, loft-style building which had been constructed for an auto related use. The second building is an old auditorium which has limited alternative uses. These structures are currently available for lease or sale.

Sale I-2 consists of four adjacent buildings located along Pacific Avenue in downtown Tacoma. The purchaser had been displaced from their facility by the University of Washington Tacoma Branch acquisitions. These buildings have ground floor retail space with storage space above. Two of the buildings were reported to be historic buildings. The overall condition of the buildings was considered to be fair to below average.

Sale I-3 is a four-story, loft-style building located in the Kingdome area of Seattle. This building had been used by the owner for an industrial/warehousing use, but it was purchased for redevelopment into smaller units. Reportedly, two floors have been converted into office warehouse units and two floors have been converted into artist live/work studios.

Sale I-4 is a loft-style warehouse building located in the Kingdome area of Seattle. This building was purchased for redevelopment into office space. The condition of the building had been poor.

CORRELATION OF THE SALES COMPARISON APPROACH

Three of the sales above show a very close spread of value indicators; with their value indicators in the $4.00/SF area. The fourth sale shows a very different value indicator: $16.22/SF. The high end of the range, Sale I-4, is located in the immediate vicinity of the King Dome, on a main neighborhood arterial route and in close proximity to area mass transit facilities. These factors, none of which comparably apply to the subject, help to explain this sale's price variation in comparison to the other sales. The remaining sales, all plus or minus less than $.30/SF from $4.00/SF, are a mix of properties. Sale I-1 is a mix of loft-style storage and an auditorium. Sale I-2 has ground floor retail, but the space is primarily loft-style storage. Portions of this property are reported to be historic buildings. Sale I-3 is a loft style building, too. The sizes of these three sales bracket the size considered applicable for the subject. With this close grouping of value indicators, and the similarities between various aspects of these buildings to the subject, a mid-range value of $4.00/SF is considered appropriate. With a size of 100,050 square feet, the improvement value is estimated at $400,200 or $400,000 rounded.

To this amount the estimated land value, as estimated in the Land Valuation Section, and the contributory value of the site improvements need to be added. There are minimal site improvements on this property. They consist mainly of the gravel parking area. The contributory value of this is estimated at $10,000. Based on these estimates the value estimate of the subject property is:

Improvements:	$ 400,000
Site Improvements:	$ 10,000
Land Value:	$1,050,000
Total:	$1,460,000

Thus, the market value of the subject property from the Sales Comparison Approach is estimated at **$1,460,000.**

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to value is based on the appraisal principle of anticipation, which assumes that market value is primarily the present worth of future benefits to be derived from ownership. Consequently, the value of any income producing property lies in the present worth of the future net income stream it will produce. This value, from an investor's point of view, is based on the property's anticipated income stream during its holding period and on any expected appreciation in value which may be realized on the sale of the property.

The direct capitalization technique employed in this appraisal requires an estimate of economic or market rent for the subject property along with normal expenses incurred in producing that income. Operating expenses and expected vacancy and collection losses are deducted from the potential gross annual income to arrive at a net operating income (NOI) figure. The NOI is then converted or capitalized into a present value estimate for the property using any number of income capitalization techniques.

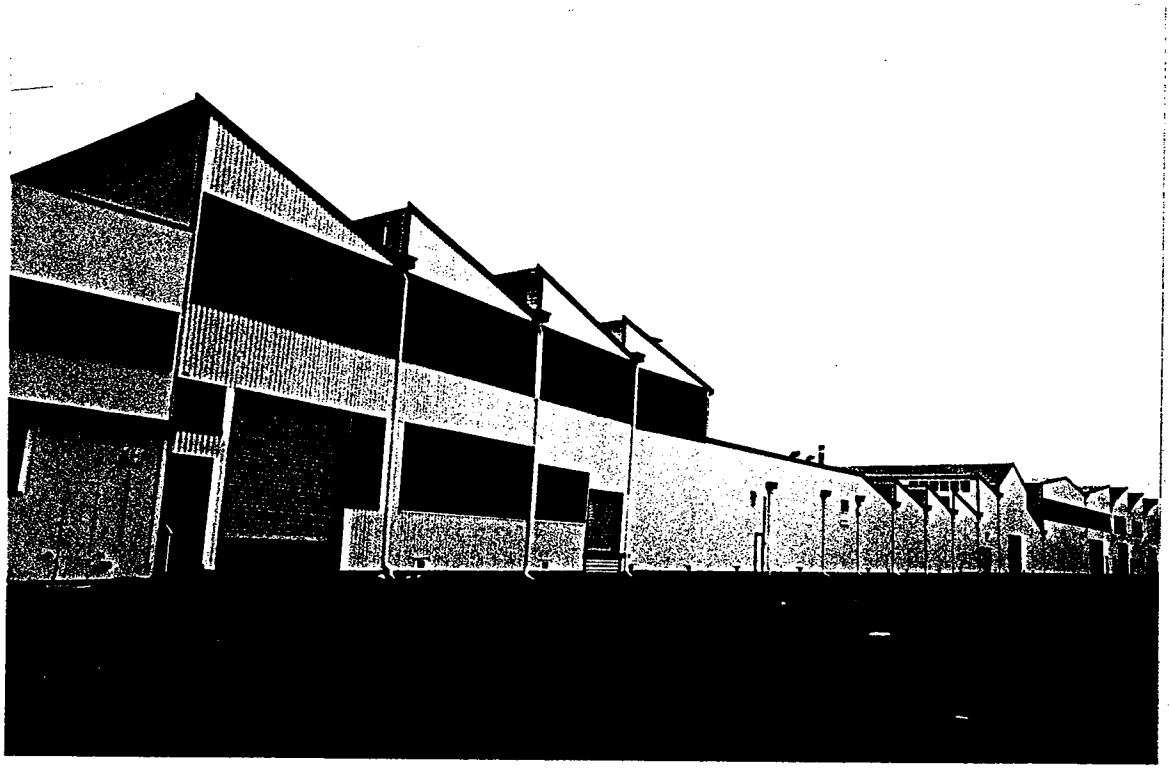
CONTRACT RENT

The subject is currently occupied by the owner so there are no tenants or leases on the property.

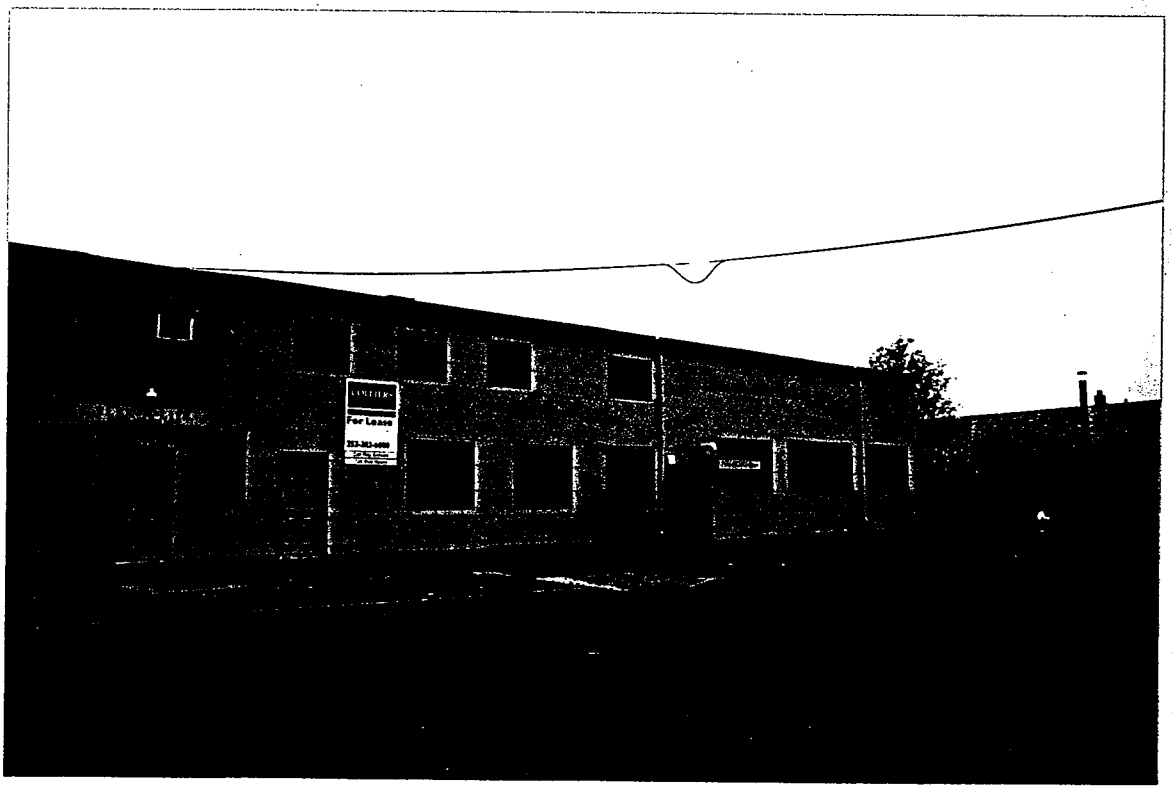
ECONOMIC RENT

The following rentals were utilized in comparison to the subject property. Their locations are shown on the following map.

COMPARABLE RENTAL PHOTOGRAPHS



Rental 1: 1002 East F Street, Tacoma

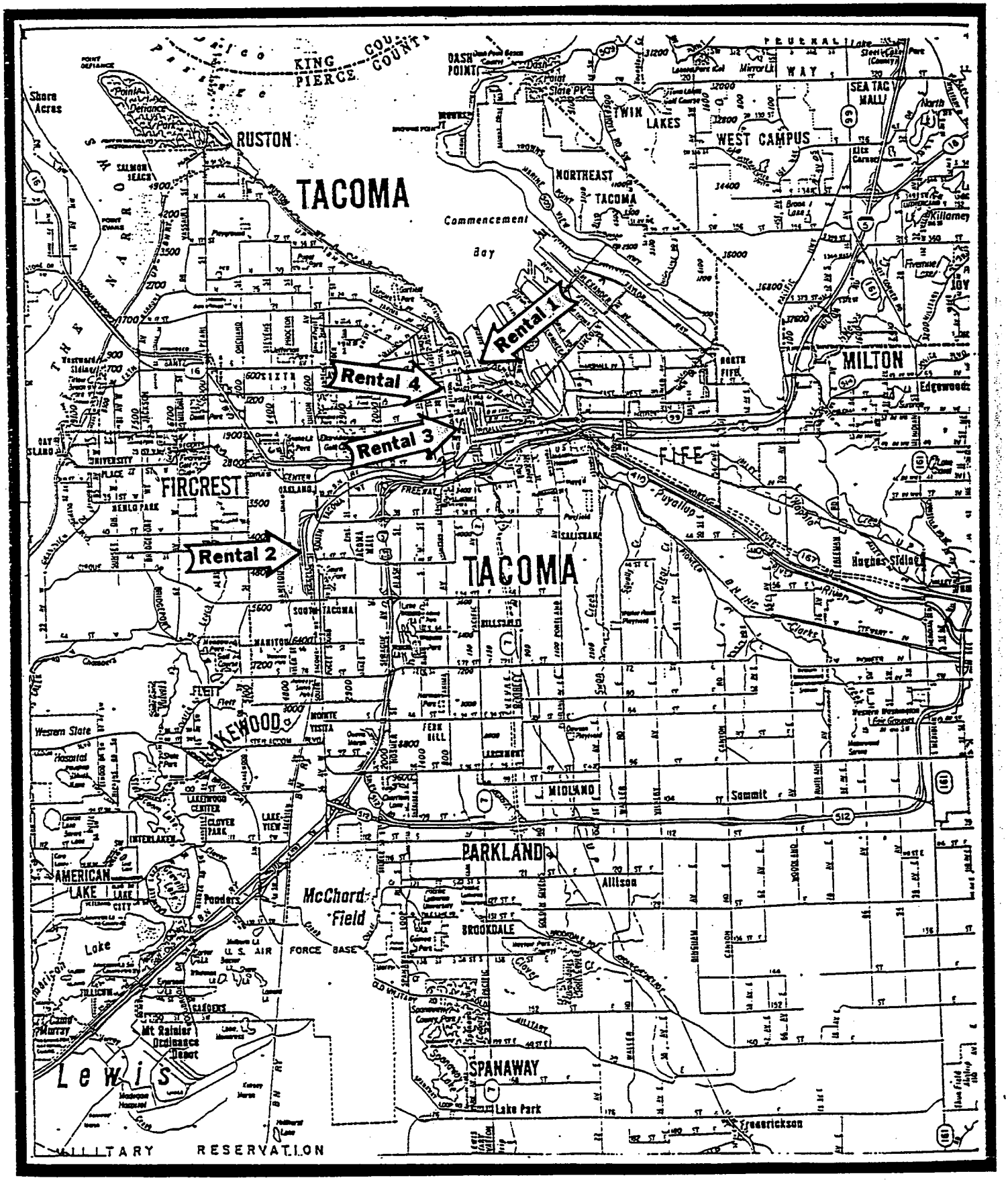


Rental 2: 4540 South Adams Street, Tacoma

Rental 3: 2101 Jefferson Street, Tacoma

Rental 4: 1302 South Fawcett Street, Tacoma

COMPARABLE RENTALS MAP



COMPARABLE RENTALS SUMMARY

Rental No.	Location	Size SF	Monthly Rent/SF	Lease Type
R-1	Coastcraft Bldg 1002 F Street Tacoma	98,000	$.22/SF	NNN
R-2	Flexlite Bldg 4540 South Adams Tacoma	33,000	$.18 SF	NNN
R-3	Jet Bldg 2101 Jefferson Tacoma	22,000 & 8,800	$.16/SF	NNN
R-4 (I-1)	1302 South Fawcett Street Tacoma	21,000 & 18,888	$.25/SF	NNN

RENTAL COMMENTS

Rental R-1 is an old manufacturing plant located in the Tideflats area of Tacoma. This is a metal-sided building with varying ceiling heights. For the type of property, it is in generally average condition. The rent shown is the asking rent, with the leasing agent indicating a probable rent of $.20/SF.

Rental R-2 is an old manufacturing plant located in the south Tacoma area. This is a wood-sided building with varying ceiling heights. There is about 3,000 square feet of improved office area. The rent shown is the asking rent. The overall condition is considered to be average.

Rental R-3 is an old manufacturing building located south of the downtown area in Tacoma. The main floor is occupied in this building, with the ground floor and the second floor being available as shown in the table. The condition is considered to be average, but there are access problems for the ground floor space due to its location on a high traffic street. The second floor is accessed only by a freight elevator. The asking rent reflects the access problems of this building.

Rental R-4 is the building used in the Sales Comparison approach as Sale I-1. The main portion of the building is two floors over a basement. These floors have 12 foot ceiling heights. This is unheated space with no plumbing, suitable for storage only. The second portion of the building is an old auditorium which has somewhat limited alternative uses. The condition is considered to be fair to below average.

These rental comparables are chosen as being the most comparable to the subject. One of the primary concerns was to find industrial and storage types of buildings which were as close in size to the subject as possible. Also older structures in less than good condition were sought. All of these rental comparables are current rental listings. For some of these the listing agents indicated their ideas of the probable rate at which they would lease. All of these were listed on a NNN basis with the tenants paying the operating expenses.

When comparing these rentals to the subject, several items must be considered. The first is the subject's less than ideal access. The subject's condition is generally below average. Also the configuration or layout of the interior space is not good. Due to these factors a rent at the lower end of the range shown by the comparables is considered appropriate. Thus a rent of $.15/SF is considered to be market or economic rent for the subject property.

POTENTIAL GROSS INCOME ESTIMATE

For the income analysis the market rent estimate of $.15 per square foot per month will be used. With an estimated size of 100,050 square feet the potential gross income (PGI) would be $180,090 (100,050 SF X $.15/SF X 12 months).

VACANCY AND COLLECTION LOSS

Based on a review of the currently available competing space, a vacancy and collection loss of 15%, or $27,014 ($180,090 X 15%) is estimated for the subject. Deducting this from the PGI leaves an effective gross income (EGI) of $153,076 ($180,090 - $27,014). This is the amount of rental income which the owner actually expects to receive.

EXPENSES

The appraisers did not receive any proforma income and expense statements from the owner. The estimates below are based on our knowledge of similar types of properties leased on similar terms.

Real Estate Taxes: The current assessment on the property appears to be quite low compared to the values estimated in this appraisal. Basing the assessed value on the value estimate from the Sales Comparison Approach, $1,460,000, and the effective tax rate of 1.6% more or less, this calculates out to a tax liability of $23,360. However under the assumed NNN lease terms the owner would only be liable for this during the times of estimated vacancy. Thus, the owner's tax liability would be $3,504 ($23,360 X 15%), or $3,500 rounded.

Insurance: The stabilized insurance cost can be expressed as a percentage of the replacement cost of the structures. According to the Marshall Valuation services the improvements have a probable replacement cost of between $40.00 and $45.00 per square foot. This is a total replacement cost of $4,002,000 to $4,502,250. Using the average of these, $4,252,125 ($4,002,000 + $4,502,250 ÷ 2) and the insurance cost estimate of .5% of replacement cost, the

total insurance expense is estimated to be $21,261. However, under the assumed NNN lease terms, the owner would only be liable for this during the times of estimated vacancy. Therefore, the owner's tax liability would be $3,189 ($21,261 X 15%) or $3,200 rounded.

Utilities: These are assumed to be the responsibility of the tenant, so the owner has no utility expense.

Repairs, Maintenance and Reserves: To maintain the property in its current condition, regular expenditures for maintenance are expected. Under the assumed lease terms, the tenants are responsible for the interior maintenance of the properties. However, an allowance for reserves for replacing the longer-lived items like the roof, exterior walls and foundation is considered necessary. With the subject being an older building, some continuing expense would be expected. For the roof replacement the cost can be calculated on the basis of a sinking fund, or the amount needed to be set aside each year to accumulate to the needed amount. With approximately 60,000 square feet of roofing and a cost of $1.50/SF the total roofing replacement could be $90,000. Based on a 15 year life and interest of 8%, the annual expense for the roof would be $10,514. Considering the other items, an expense of $12,000 has been estimated.

Management: This is a typical expense item necessary to compensate the owner for the time spent on managing the property. This expense is usually charged as a percentage of the EGI, with 3% to 6% being typical. For a single tenant building a fee of 3% is considered appropriate. In addition to the normal management there are anticipated future leasing fees. There will be some continuing expense as tenants turnover. This is estimated at an additional 2% of the EGI. Thus, the total management and leasing expense is estimated at 5% of the EGI. This expense calculates out to be $7,654 ($153,076 X 5%), or $7,650 rounded.

INCOME AND EXPENSE SUMMARY FOR BUILDING A

Potential Gross Income		$180,090
Less Vacancy & Collection Loss: 15%		(27,014)
Effective Gross Income		$153,076
Expenses:		
Taxes	$ 3,500	
Insurance	3,200	
Utilities	0	
Repairs & Reserves	12,000	
Management	7,650	
Total - 17.2%		$ 26,350
Net Operating Income		$126,726

OVERALL CAPITALIZATION RATE (R_o)

For this analysis one method of estimating the overall rate (R_o) has been used: the band of investment.

Band of Investment: The band of investment technique is a mortgage/equity analysis that utilizes money market information and the current availability of financing. We have selected an overall rate for the subject based on the influence of mortgage rates and equity yields in relation to the subject property's quality and investor appeal. The factors utilized are the mortgage constant and the equity dividend rate.

Current commercial rates indicate an investor would most likely receive a 9.0% mortgage rate, 25 to 30 year amortization, five to 10 year call, with a 60% loan to value ratio. Utilizing this information calculates to a mortgage constant (R_m) of .0966.

When considering the return to equity, it is found that typically investors now are looking for equity returns of 10% to 12%. For this property with the added risks associated with its size, age and location, a somewhat higher rate would be expected. Thus, we have used an equity return rate (R_e) of 12% to 15%. The following calculations will estimate a market overall rate.

12% Equity Dividend Rate:		
	.60 x .0966	.0580
	.40 x .12	.0480
Indicated Overall Cap Rate		.1060 or 10.5% RO
15% Equity Dividend Rate:		
	.60 x .0966	.0580
	.40 x .15	.0600
Indicated Overall Cap Rate		.1180 or 11.75% RO

This analysis indicates an R_o rate of between 10.5% and 11.75%.

When the characteristics of the subject property are considered, a rate near the lower end of the range is considered reasonable. Thus a rate of 10.75% is considered appropriate for the subject.

The subject's market value as indicated by the Income Capitalization Approach is estimated by dividing the estimated NOI by the appropriate R_o as follows:

$$\$126,726 \div 10.75\%\ R_o = \$1,178,846 \text{ or } \mathbf{\$1,180,000} \text{ Rounded}$$

FINAL RECONCILIATION

Based on the preceding approaches to value, it is found that the indicated values for the subject property are:

Cost Approach	N/A
Sales Comparison Approach	$1,460,000
Income Capitalization Approach	$1,180,000

The Cost Approach is not considered to be a reliable value indicator for the subject. This is due to the age and condition of the improvements and the functional problems inherent in their layout. Any estimation of depreciation from all causes would be quite unreliable. For this reason the Cost Approach was not done in this complete appraisal assignment.

The Sales Comparison Approach is considered to be a generally reliable indicator of value for the subject property. Sufficient sales data was available from the local market for comparable types of buildings to develop a reliable range of value indicators. These sales were considered to be good substitute properties for the subject. Therefore, this approach is given substantial weight in the final reconciliation.

The Income Capitalization Approach is considered to be generally a very reliable approach to value for properties which are typically purchased as investments. With a unique property like the subject being purchased as an investment, or at least considering the parameters used in this analysis, this is considered to be a viable option. Thus this approach is also given substantial weight in the final reconciliation.

In reviewing the value estimated here, reference is made to what assumptions are implicit in the market value definition. Market value is based on the assumption of a willing buyer and a willing seller, both of whom are well informed of the property's potential uses as well as its limitations and the cost of correcting these limitations. Also, it assumes that neither party is under duress or has other than typical motivations.

Based on the above analysis, it is the appraisers' opinion that the estimated market value of the subject property, as of August 27, 1997, is:

ONE MILLION TWO HUNDRED THOUSAND DOLLARS
$1,200,000

This estimate of value is subject to the attached Assumptions and Limiting Conditions. In our appraisal and analysis, we have not taken into consideration the possible existence of asbestos or other toxic, hazardous or contaminated substances, or the cost of encapsulation or removal thereof.

This value is also subject to the following Special Assumptions:

1) An additional access easement could be obtained from the adjacent property owner.

2) No wetlands or storm water studies were done on the site. If these were done, the findings may have significant effect on the value estimated.

3) This value estimate relied on information provided by other sources, including the cost of improving the access and the New Market Historic District Master Plan. If this information is incorrect, it could significantly affect the value estimated.

GREER, PATTERSON & ASSOCIATES, INC.

Gary K. Wessels, MAI
State-certified General Real Estate Appraiser
Number 270-11 WE-SS-EG-K467B6

Edward Q. Greer, MAI
State-certified General Real Estate Appraiser
Number 270-11 GR-EE-RE-O610B9

ADDENDA

LETTER OF ENGAGEMENT

GREER, PATTERSON & ASSOCIATES, INC.
Real Estate Appraisers
7522 West 28th Street
Tacoma, Washington 98466-4188
(206) 564-1342

Edward O. Greer, MAI

RECEIVED
JUL 28 1997
GREER, PATTERSON
& ASSOCIATES, INC.

July 16, 1997

C97-061

Leonard Bauer, AICP
Senior Planner
City of Tumwater
555 Israel Road SW
Tumwater, Washington 98501

Re: Olympia Brewhouse
Tumwater, Washington

Dear Mr. Bauer:

Based on our conversation regarding the above referenced property, we can provide an appraisal of the property assuming that the following information will be provided.

1. Engineering information on the viability of developing an access;
2. The probability and general preliminary cost estimates for developing an appropriate access to the site;
3. Building structural information assistance;
4. Some wetlands delineation in general terms, i.e., rough area for upland and wetlands, and approximate area affected by buffer restrictions.

With the assistance of this information, an appraisal will be made. The fee for the analysis will be $10,000, and it is estimated it will be completed by late September 1997. This completion date is based on the assumption that the information is provided in a timely manner and assumes that a signed copy of this letter is returned to us within 10 days of the above date. This fee will provide three copies of the report, unless prior arrangements have been made.

The client is hereby informed that the information gathered by the appraisers in the course of this appraisal assignment may be utilized in future assignments. If the client wishes to keep the information regarding his property confidential, he should inform the appraisers to that effect in writing at the time he confirms that Greer, Patterson & Associates, Inc. is to proceed with the appraisal assignment.

Since a few clients in the past have been delinquent, our attorney has recommended that we have a uniform letter of authorization to protect us in case of collection loss. Consequently, please be aware that if our appraisal firm is selected and this account becomes delinquent, it will be referred to an attorney for collection. The client agrees to pay all fees and costs of collection, including such sum as may be determined by the court to be reasonable attorney's fees, plus interest on the unpaid balance.

Thank you for giving us the opportunity to offer a proposal on your project.

Very truly yours,

GREER, PATTERSON & ASSOCIATES, INC.

Edward O. Greer, MAI
State-certified General Real Estate Appraiser
Number 270-11 GR-EE-RE-061089

EOG:gc

Dated this 24th day of July 1997

~~Leonard Bauer~~ Doug Baker
City Administrator

ROAD IMPROVEMENT COST ESTIMATE

b:olybre4v
Memorandum
To: File
From: Doug Johnston 360-754-4180
Date: October 14, 1997

re: Access to the Old Brewhouse by way of Custer Way

Here are two alternatives for accessing the Old Brewhouse. Option 1 meets the minimum requirements of the Development code for Commercial Collector while option 2 meets the minimum requirements of a private roadway for industrial usage. The proposed sections are smaller than the Development guide for a Commercial Roadway, however I feel this is a realistic section. Likewise, the private section, has a walkway on one side but I feel this is a minimum requirement.

OPTION 1 ... COST FOR MIN COMMERCIAL COLLECTOR ... $1,023,000

OPTION 2 ... COST FOR MIN PRIVATE ROAD ..... S 355,400

PLEASE REVIEW THIS INFORMATION AND AFTER COMMENTS I WILL FORWARD THIS TO THE CONSULTANT WORKING ON THE APPRAISAL WORK FOR THE OLD BREWHOUSE.

Post-it® Fax Note 7671	Date 10/14	# of pages ▶ 6
To ED Greer	From LEONARD BAUER	
~~Co./Dept.~~ GARY WESSELS	Co.	
Phone #	Phone #	
Fax # 253-566-9560	Fax #	

b:olybre5v
Memorandum
To: File
From: doug Johnston
Date: October 14, 1997

re: Cost for Access Roadway to the Old Brew House from Custer Way

The assessors working for the City of Tumwater are trying to establish a cost for the access road from Custer Way to the Old Brewery site. This roadway will parallel the current one lane wide 12' wide paved access to the old brewery complex but the entire roadway will be raised to maintain a 10% slope from Custer Way to the connection with existing ground 1000' away.

By working with the assessors maps and the aerial photographs, I have tried to fix the property lines in the area. My assumptions are:

*) West back of sidewalk on the west side of Schmidt Pl is property line (60' east is bw on east side)
*) 240' west of west r/w line of Schmidt Pl is the east r/w line of Boston St
*) Boston St r/w is 60' wide
*) PL is 2' behind back of walk on north and south side of Custer Way

PL = property line
r/w = right of way
bw = back of walk

Required roadway section: From the City of Tumwater Development Guide:

*) Public Street
*) Commercial/Industrial Collector
*) 20 year ADT = 2,000 to 6,000
    Section:
        3.5" Pavement
        2.5" Crushed Rock
        8.5" of Ballast
*) Roadway Width = 36', HOWEVER STAFF WILL USE 26' WIDTH
*) Max Grade = 10% ((city may need to concede a variation in this requirement: upper roadway slope is 15%, lower portion is 11%))
*) Pedestrian + Concrete curb and gutter + sidewalk both sides = 5.5' sidewalks both sides (designer will use 6')
*) Planter strip = 6' on both sides, STAFF WILL NOT USE ANY PLANTER STRIP FOR THIS PROJECT
*) Street Lights = 150' spacing one side 35' height & 250 watt HPS (collector Commercial/Industrial)
*) Bicycle Paths = Not required (could use width provided by 36' wide roadway?)
*) R/W Width = 26'(roadway) + 12' (curb and sidewalks) = 38' + 2' EACH SIDE = TOTAL WIDTH 42'

To get the roadway grade to a 10% slope there is a need to fill over the existing surface. This fill depth averages 3.5 above the existing street grade.

Roadway section: 60' wide flat area

Retaining Wall Westside: (anchor this to the bedrock in area, average height 3.5')
3.5 x 1000 x $35/sf = ... $122,500

Jersey Barrier Westside: (prepoured sections)
4.0 x 1000 x $25/lf = ... $ 25,000

Retaining Wall Eastside: (average height is 12')
9.7 x 1000 x $20/sf = ... $194,000

Right of Way Acquisition
210 long x 4 hight triangle = area of 420 sq ft
420 sq ft x $3/sf = ... $ 1,300

Fill Ballast
3.5 x 42 x 1000 x $12/cy =5,450 cy
5,4500 cy x $12 = ... $ 65,400

Road Grade Ballast
0.70 x 26 x 1000 x $16/cy = 675 cy
675 cy x $16 = ... $ 10,800

Crushed Rock
0.2 x 26 x 1000 x $22/cy = 200 cy
200 cy x $22 = ... $ 4,400

Pavement
0.3 x 26 x 1000 x $45/ton
600 ton x $45 = ... $ 27,000

Sidewalk
1000 (2) x $30/lf = ... $ 60,000

Striping
lump sum = ... $ 1,000

Storm Drainage
8" PVC Pipe
1000 + (8)(36) = 1300lf
1300lf x $15/lf ..... $ 19,500

Catch Basins
8 x $750/ea ..... $ 6,000

Storage System
lump sum = ... $ 10,000

Lighting
8 lights x $5,000/ea = ... $ 40,000

landscaping
lump sum = ... $ 5,000

TOTAL $591,900
ENGINEERING 10% ..... $ 59,100
CONTINGENCIES 25% $148,000
TAX 8% ..... $ 64,000

TOTAL - ALL ABOVE..... $863,000

COST TO INSTALL A TRAFFIC SIGNAL AT CUSTER

(To use the old brewhouse site as a commercial business site, would require access at the Custer Way/Boston St intersection. A signal at this location would allow exiting traffic to be able to make a left turn onto Custer Way when exiting. Without the signal this movement would be restricted and right turn only movements would be allowed. This step would greatly restrict the property and any commercial usage.)

$160,000 ..... $ 160,000

COST WITH SIGNAL $1,023,000

b:olybre6v
Memorandum
To: File
From: doug Johnston
Date: October 14, 1997

re: Cost for Access Roadway to the Old Brew House from Custer Way

The assessors working for the City of Tumwater are trying to establish a cost for the access road from Custer Way to the Old Brewery site. This roadway will parallel the current one lane wide 12' wide paved access to the old brewery complex.

By working with the assessors maps and the aerial photographs, I have tried to fix the property lines in the area. My assumptions are:

*) West back of sidewalk on the west side of Schmidt Pl is property line (60' east is bw on east side)
*) 240' west of west r/w line of Schmidt Pl is the east r/w line of Boston St
*) Boston St r/w is 60' wide
*) PL is 2' behind back of walk on north and south side of Custer Way

PL = property line
r/w = right of way
bw = back of walk

Required roadway section: From the City of Tumwater Development Guide:

*) Private Roadway
*) Private facility
*) NA
    Section:
        2.5" Pavement
        2.5" Crushed Rock
        8.5" of Ballast
*) Roadway Width = 26'
*) Max Grade = 15% ((upper roadway slope is 15%, lower portion is 11%))
*) Pedestrian = None required (NOT REQUIRED BUT STAFF HAS PROVIDED A SIDEWALK ALONG ONE SIDE OF THE ROADWAY.
*) Planter strip = NA
*) Street Lights = NA
*) Bicycle Paths = Not required
*) Easement Width = 30'

NOTE: RETAIN 12' OF THE EXISITNG SURFACE AND MATCH AND OVERLAY THE SURFACE FOR THE NEW ROADWAY.

Jersey Barrier (Westside)
4.0 X 1000 X $25/LF ..... $ 25,000
Retaining Wall (Eastside) (30' from west jersey barrier)
6.2 x 1000 x $20/sf = ... $ 124,000
Excavate and Remove
14 x 1000 x0.70 + 1000 x 6.2 x 6.2 = 1800 cy
1800 cy x $10/cy ..... $ 18,000
Ballast
14 x 1000 x 0.70 = 400 cy
400 x $16/cy = ... $ 6,400
Crushed Rock
14 x 1000 x 0.20 = 110 cy
110 x $22/cy = ... $ 2,400
Pavement
26 x 1000 x 0.20 = 400 ton
400 x $45 = ... $ 1,800
Sidewalk (one side only)
1000 x 6 x $30/lf ..... $ 30,000
Striping
lump sum = ... $ 1,000
Storm Drainage
8" PVC pipe
1300 lf x $15/lf = ... $ 19,500
Catch Basins
8 x $750/ea = ... $ 6,000
Storage System
lump sum = ... $ 10,000

TOTAL $244,100

ENGINEERING 10% $24,000
CONTINGENCIES 25% $61, 000
TAX 8% $26,300

TOTAL - ALL ABOVE $355,400

QUALIFICATIONS OF APPRAISERS

QUALIFICATIONS AND EXPERIENCE
OF
GARY WESSELS, MAI

EDUCATIONAL BACKGROUND AND TRAINING

Appraisal Institute courses and seminars
- Report Writing and Valuation Analysis, 1991
- Case Studies, 1991
- Standards of Professional Practices, 1994
- Understanding Limited Appraisal, 1994
- The Appraiser as Expert Witness, 1995
- Fair Lending and the Appraiser, 1996

American Institute of Real Estate Appraisers courses and seminars
- Basic Valuation Procedures, 1990
- Standards of Professional Practice, 1989
- Capitalization Theory and Techniques, Part B, 1989
- Principles of Real Estate Appraisal, 1988
- Capitalization Theory and Techniques, Part A, 1987

Society of Real Estate Appraisers courses:
- Introduction to Real Estate Appraisal, 101, 1986

Master of Business Administration, Indiana University, Bloomington, Indiana, 1979

Bachelor's Degree, University of Michigan, Ann Arbor, Michigan, 1976, Graduation "With Distinction"

PROFESSIONAL AFFILIATIONS AND LICENSES

MAI Member, Appraisal Institute, Member Number 10,368

Licensed by the State of Washington as a Certified Real Estate Appraiser, General Classification
License Number 270-11 WE-SS-EG-K467B6

EXPERIENCE

March 1990 to Present - Independent Fee Appraiser
Greer, Patterson & Associates, Inc., Tacoma, Washington

May 1986 to March 1990 - Senior Real Estate Appraiser/Analyst
The Long Appraisal Company, Burlingame, California

March 1986 to May 1986 - Real Estate Appraiser
Taplin, Thomas, Lew and Long, Millbrae, California

February 1984 to March 1986 - Senior Underwriter, Review Appraiser and Property Manager
Bellevue Corporation, Burlingame, California

February 1983 to February 1984 - Senior Loan Underwriter, FNMA Residential Reviews, Secondary Market Sales
Guardian Mortgage & Investment Corporation, San Mateo, California

PRESENT RESPONSIBILITIES

Independent Fee Appraiser
Greer, Patterson & Associates, Inc.

QUALIFICATIONS AND EXPERIENCE
OF
EDWARD O. GREER, MAI

EDUCATIONAL BACKGROUND AND TRAINING

MAI designation 1985, Certificate Number 7195, American Institute of Real Estate Appraisers
Course 4, American Institute of Real Estate Appraisers, University of Colorado
Course 2, American Institute of Real Estate Appraisers, University of Colorado
Courses 1A and 1B, American Institute of Real Estate Appraisers, University of California and Seattle Pacific College
SRA designation, Society of Real Estate Appraisers 1970, resigned 1990
Certified by State of Washington to instruct Appraisal Courses 1 and 2
Instructor, Tacoma Community College and Clover Park Educational Center

ASSOCIATION MEMBERSHIPS

Appraisal Institute, Previously Known as American Institute of Real Estate Appraisers
American Arbitration Association - Served as Arbitrator as a Member of National Panel of Arbitrators
International Right of Way Association
Previous Member - Society of Real Estate Appraisers, Tacoma Chapter #61
Offices Held: President; Vice President; Secretary; Chairman, Admissions Committee; Chairman, Examination Committee
Licensed by the State of Washington as a Certified Real Estate Appraiser,
General Classification License Number 270-11 GR-EE-RE-O610B9

EXPERIENCE

1977 to Present - Independent Fee Appraiser
Greer, Patterson & Associates, Inc. (President)
Greer Appraisals (Owner)
4 years - Chief Appraiser, Great Northwest Federal Savings & Loan Assn.
2 years - Independent Appraiser, Westgate Realty and Appraisal Company
8 years - Chief Appraiser, Pierce County Assessor's Office

TYPE OF PROPERTY

Land - apartments, commercial, industrial, residential, rural
Improved - apartments, condominiums, farm buildings, service stations, warehouses, churches, industrial properties, miscellaneous

PREVIOUS CLIENTS

State of Washington, City of Tacoma, Port of Tacoma, Metropolitan Park District of Tacoma, Pierce County Parks Department, Tacoma School District, Pierce County Right of Way Department, Washington Mutual Savings Bank, Northwest Community Bank, Bank of Sumner, Columbia Bank, West One Bank, private individuals, attorneys

COURT OF EXPERT WITNESS TESTIMONY

Pierce County Superior Court
Snohomish County Superior Court
U.S. District Court

PRESENT RESPONSIBILITIES

President, Greer, Patterson & Associates, Inc.
Independent Fee Appraiser