



The following question was posed by a Commissioner prior to the scheduled Board Meeting on January 4, 2022. Staff's response is included below.

Consent Calendar

Resolution No. 2203, Declaring Surplus Property for Utility Corridor Adjacent to Beltline (RUBIN/KELLEY)
(Paraphrased) I would like to better understand how the right-of-way was valued. \$35,000 for 2.37 acres of R1 land seems low, even for a portion of a right-of-way.

RESPONSE: *The biggest challenges to the property, affecting the appraised value, are the existing easements and encumbrances over the property and the lack of public access. A copy of the appraisal is attached herein.*



APPRAISAL REPORT

2.37-Acre Property

Located at the northwest corner of
Roosevelt Boulevard and Randy Papé
Beltline Road
Eugene, Lane County, Oregon
Map 17-04-28-10, Tax Lot 100

VPA FILE: VPB21-201A

Project Name: OR569:
Green Hill Rd. - Coburg Rd. (Eugene)

ODOT Key #: 21261
ODOT File #: 9501-007
ODOT Contract No.: B38094

Date of Report:
April 5, 2021

Date of Value:
February 23, 2021



SUBMITTED TO:

Regina Thompson
Oregon Department of Transportation
Region 2 Right of Way
455 Airport Road, Building A
Salem, Oregon 97301
Regina.thompson@odot.state.or.us

PREPARED BY:

Clint C. Becraft, MAI
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April 5, 2021

Regina Thompson
Oregon Department of Transportation
Region 2 Right of Way
455 Airport Road, Building A
Salem, Oregon 97301
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RE: 2.37-Acre Property
Located at the northwest corner of
Roosevelt Boulevard and Randy Papé Beltline Road
Eugene, Lane County, Oregon
Map 17-04-28-10, Tax Lot 100

Dear Ms. Thompson:

As per our agreement, I have prepared an appraisal of the above-referenced property. The subject of this report consists of a 2.37-acre site zoned R-1, Low Density Residential. The subject is located at the northwest corner of Roosevelt Boulevard and Randy Papé Beltline Road in Eugene, Lane County, Oregon and is further identified by the Lane County Department of Assessment and Taxation as Tax Lot 100 on Map 17-04-28-10.

There is no legal vehicular access to the subject property. The southern end of the subject site is bisected by Roosevelt Boulevard and it also has frontage on the west side of Randy Papé Beltline Road. There are no driveway approaches to the subject from the street frontage at the property lines. The only potential legal access to the subject would be from across the adjacent parcel to the west (Tax Lot 300) from N. Danebo Avenue.

It is noted that the Randy Papé Beltline Road encroaches onto the eastern portion of the subject site. The value conclusion contained herein represents the land value of the entire subject site, including the land under the encroaching Beltline Roadway. The encroachment of the roadway is not reflected in the valuation.

The purpose of this inspection and subsequent analysis was to estimate the fee simple fair market value of the subject property as of the latest date of inspection. The highest and best use of the subject property is for assemblage with the adjacent property to the west (Tax Lot 300) for interim agricultural use and potential residential development. The subject property does not provide utility for development as a stand-alone parcel given the lack of legal vehicular access and its physical characteristics including its shape and topography, but does provide some benefit for assemblage with the adjacent property (Tax Lot 300) for interim use until residential development occurs. Given the concluded highest and best use, the only potential buyer of the subject property is the

owner of the adjacent property to the west. As such, the valuation of the subject property is based upon an analysis of the “Across the Fence” value of the adjacent property. The across the fence value is then adjusted by what is concluded to be the most appropriate market-derived discount to reflect the contributory value of the property for assemblage with the adjacent property.

The valuation of the property is also subject to the following extraordinary assumptions:

1. The sizes of the subject site and the adjacent property are based on information available from county records, available maps, GPS technology and online measuring tools on the Regional Land Information Database (RLID). There has been no survey provided to the appraiser indicating the size of the allocated areas of the sites as determined by the appraiser. This appraisal report is based on an extraordinary assumption that the estimated sizes are accurate. The application of this extraordinary assumption may affect the assignment results.
2. There are two public utility easements noted in the preliminary title report provided. Exception 10 references an easement for a pipeline in favor of Bethel Water District. Exception 11 references an easement for a gas pipeline in favor of Northwest Natural Gas Company. A copy of the facilities map was provided by the subject property owner representative, which shows the easement areas crossing the southern portion of the site to the south of Roosevelt Boulevard. The representative of the client, the Oregon Department of Transportation (ODOT), and the representative of the property owner from the Eugene Water and Electric Board (EWEB), indicated that an “X” Permit agreement will be negotiated for continued use and maintenance of the easement areas upon a proposed transfer of ownership of the subject property from EWEB to ODOT. This appraisal report is based on an extraordinary assumption that an “X” Permit agreement for the existing utilities will be in place upon closing of a sale of the property. The application of this extraordinary assumption may affect the assignment results.
3. It is noted that there is a public pedestrian and bike path encroachment crossing east to west over the southern portion of the subject site to the intersection of Beltline Road and Roosevelt Boulevard. The path continues on the adjacent property to the west and runs west to N. Danebo Avenue and also runs to the north on the abutting property adjacent to the subject west property line. There are no known easement documents for the public path listed in the preliminary title report. Inquiries were also made to the property owner representative, as well as representative from the Oregon Department of Transportation, but no additional easement information was provided. Given that there are no known easement documents defining the area of the path, this appraisal report is based on an extraordinary assumption that the path could be relocated on the site, if so desired, as to not adversely affect the highest and best use of the properties due to its existing location. The application of this extraordinary assumption may affect the assignment results.
4. The parcel adjacent to the subject includes areas designated as wetland in the Eugene Local Wetlands Inventory. The information in this report regarding wetlands was taken from the local inventory. There have been no other wetland studies or delineations provided or available to the appraiser. This appraisal report is based on an extraordinary assumption that the size of the wetland areas indicated in the local



wetlands inventory is accurate. The application of this extraordinary assumption may affect the assignment results.

5. The highest and best use of the subject has been determined to be for assemblage with the adjacent parcel to the west, as such, consideration is given to the highest and best use and development potential of the adjacent assemblage property. The appraiser has made reasonable effort in the normal course of business to determine the appropriate risk factors and any restrictions associated with future changes in the use or development of the adjacent land. The value conclusion herein takes into consider the market perceived risk associated with the legally permitted uses and potential land uses. However, this appraisal report is based on an extraordinary assumption that there are no *significant and unforeseen* development impediments that would inhibit the use of the property under its highest and best use. The application of this extraordinary assumption may impact the assignment results.

After an inspection of the subject property, subsequent research and analysis of pertinent market data, and consideration of the extraordinary assumptions described herein, it is my opinion the fee simple fair market value of the subject property for assemblage with Tax Lot 300, as of February 23, 2021, was:

Value Conclusion			
Value Premise	Interest Appraised	Date of Value	Conclusion
As-Is - Fair Market Value	Fee Simple	February 23, 2021	\$35,000

This appraisal conforms to the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation. In addition, this report complies with the current Oregon Department of Transportation appraisal policy and procedures, as outlined in ODOT's Right of Way Manual; ODOT's Guide to Appraising Real Property, and the Appraisal Specifications & Scope provided from ODOT.

I certify this appraisal has been prepared in accordance with the Code of Professional Ethics and Standards of Professional Practices set forth by the Appraisal Institute. I certify that I have no present or contemplated interest in the property and the fee for making this appraisal is not predicated upon reporting any specified value or value range. Please call at your convenience if any additional data or information is required.

Respectfully submitted,

Clint C. Becraft, MAI

clint@viewpointappraisals.com

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AERIAL PHOTOGRAPHS

Lane County Aerial Photographs



Identification of the Problem					
Identify client and intended users	Identify the intended use	Identify the purpose of the assignment (type and definition of value)	Identify the effective date of the opinion	Identify the relevant characteristics of the property	Assignment conditions
Scope of Work Determination					

Client and Intended User

The client and intended user is the Oregon Department of Transportation (ODOT).

Purpose and Intended Use

The purpose of this report is to estimate the as-is fee simple fair market value of the subject property as of the latest date of inspection, February 23, 2021. The intended use of this appraisal report is to assist the Oregon Department of Transportation with determining the fair market value of the property for a potential acquisition.

Interest Appraised

The interest appraised is the fee simple estate.

Date of Value Opinion

February 23, 2021

Compliance & Competency Rule

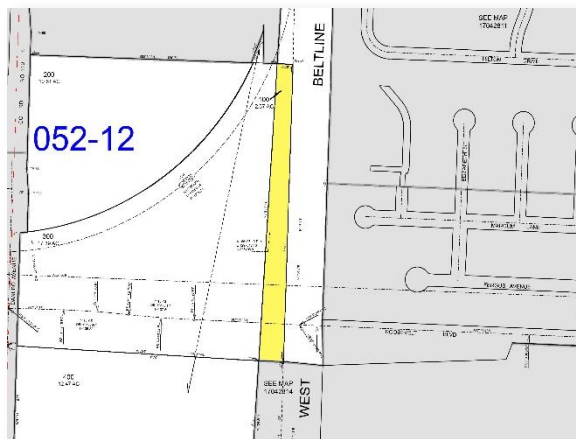
This appraisal has been prepared in compliance with the most recent revisions of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. Clint C. Becraft, MAI has the knowledge and experience to complete this assignment competently, in compliance with the stated regulations.

Inspection Data

Clint C. Becraft, MAI inspected the subject property on February 23, 2021 and was accompanied by Tim O'Dell, who represented the property ownership. The comparable sale properties were viewed from the public streets by Clint C. Becraft, MAI.

RELEVANT PROPERTY CHARACTERISTICS

2.37-Acre Property, NW Corner of Roosevelt Blvd. and Randy Papé Beltline Rd., Eugene



Assessor's Identification:

Map 17-04-28-10, Tax Lot 100

Owner of Record:

City of Eugene.

Parcel Size:

According to Lane County records, the gross site size is 2.37 acres.

Zoning:

The property is zoned R-1, Low Density residential.

Flood Hazard Area:

According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C1108F, effective June 2, 1999, the subject property is located in Zone X, areas determined to be outside the 500-year flood.

Improvements:

There are no building structures on the property. A portion of a public pedestrian and bike path crosses the south portion of the site.

Highest & Best Use:

Assemblage with the adjacent property to the west for interim agricultural use with potential for future residential development.

SCOPE DETAILS

The scope of the appraisal assignment has been to collect, confirm, analyze and interpret pertinent market data and other market forces so as to arrive at an estimate of market value of the subject property. This appraisal assignment has included a complete investigation of all pertinent data in relation to the subject property. This investigation included, but was not limited to:

- Personal inspection of the subject property;
- Review of Lane County property records;
- Review of the preliminary title report provided;
- Interview with Regina Thompson, representative of ODOT;
- Interview with Tim O'Dell, representative of EWEB;
- Research of market conditions;
- Research and analysis of sale transactions of comparable properties. Sources utilized include sales and listing data from real estate brokers, information from knowledgeable market participants, and real estate database services. Comparable sales analyzed in the appraisal report were confirmed either by a party to the transaction, or an agent or representative of a party to the transaction, or information from other real estate professionals and from public records;
- Application of the applicable approaches to value;
- Preparation of the written report conveying the appraiser's analyses and conclusions.

Approaches to Value

In this assignment, the Sales Comparison Approach is the only applicable valuation method for the land area. The Cost Approach and Income Capitalization Approach are not applicable in estimating a unit value of the parcel.



Fair Market Value

The amount of money, in cash, that property would bring if offered for sale by one who desired but was not obliged to sell, and was bought by one willing but not obliged to buy. It is the actual value of the property on the date of the taking, with all its adaptations to general and special uses, that is to be considered.¹

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.²

When a site contains improvements, the highest and best use may be determined to be different than the existing use. The existing use will continue unless and until land value, in its highest and best use exceeds the sum of the value of the entire property in its existing use, and the cost to remove the improvements.

An additional implication is that the determination of the highest and best use results from the appraiser's judgment and analytical skills, that is, that the use determined from analysis represents an opinion not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Independent Site Value

Also called "stand-alone" value, the value of the property as an independent, separate commodity.⁴

Assemblage Value

Value of the property as if it were merged with an adjoining property that would result in the greatest return. It is the most reasonable, physically possible, financially feasible, and legally possible use. Theoretically, the value of the subject may be less than, equal to, or greater than the adjacent property. As assemblage, Excess Property often is "equal to" the adjoining property; we refer to this as "across-the-fence" value. If the addition of Excess Property results in an increase in the adjoining parcel or value greater than anticipated value based on "across the fence" valuation the we refer to it as Plottage Increment, or Enhancement Value.⁵

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1. Oregon Department of Transportation. *ODOT Right of Way Manual*, Chapter 5, Rev. August 31, 2018.
 2. Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago: Appraisal Institute, 2015).
 3. Ibid.
 4. Oregon Department of Transportation, *Guide to Appraising Real Property*, Rev. January, 2006
 5. Ibid.

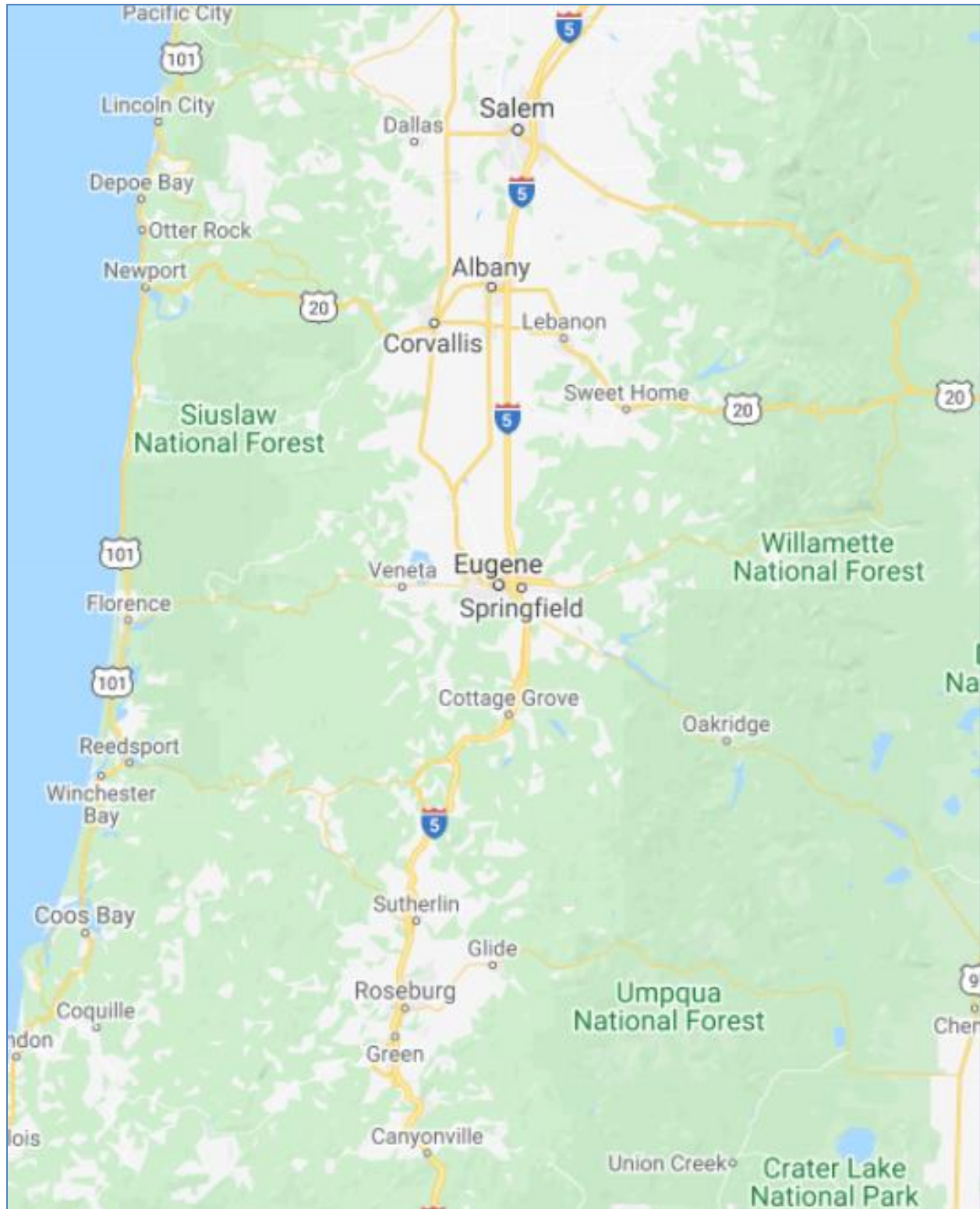
Data Collection and Property Description		
Market Area Data General characteristics of region, city and neighborhood	Subject Property Data Subject characteristics of land use and improvements, personal property, business assets, etc.	Comparable Property Data Sales, listings, offerings, vacancies, cost and depreciation, income and expenses, capitalization rates, etc.

In preparing this appraisal, information relative to the subject's region, city, and competitive neighborhoods was researched and considered. In addition to the information outlined in the scope of work, other pertinent factors that affect the value of the subject property, either directly or indirectly, were considered.

Data Sources	
INFORMATION	SOURCE
Address, tax information	Lane County records.
Zoning	City of Eugene.
Site size	Lane County records.
Flood plain information	Federal Emergency Management Agency (FEMA).
Property size, condition	Inspection and County records.
Sales and lease data	Appraisers' files; public records; local real estate brokers; local and national listing services, including CoStar and RMLS.
Market Information	PwC Real Estate Investor Survey, Marcus & Millichap publications, Co-Star publications, CBRE publications.

REGIONAL MAP

Source: Google Maps



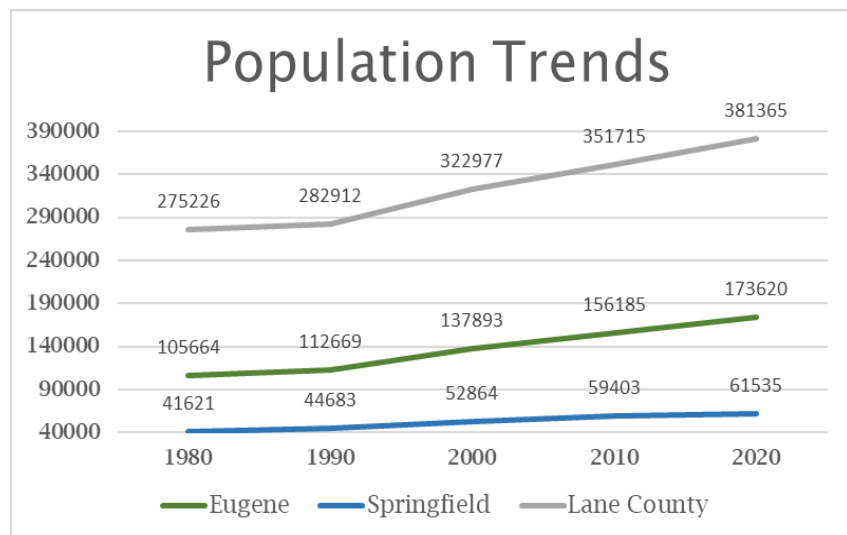
MARKET AREA DESCRIPTION

Eugene-Springfield Metropolitan Area

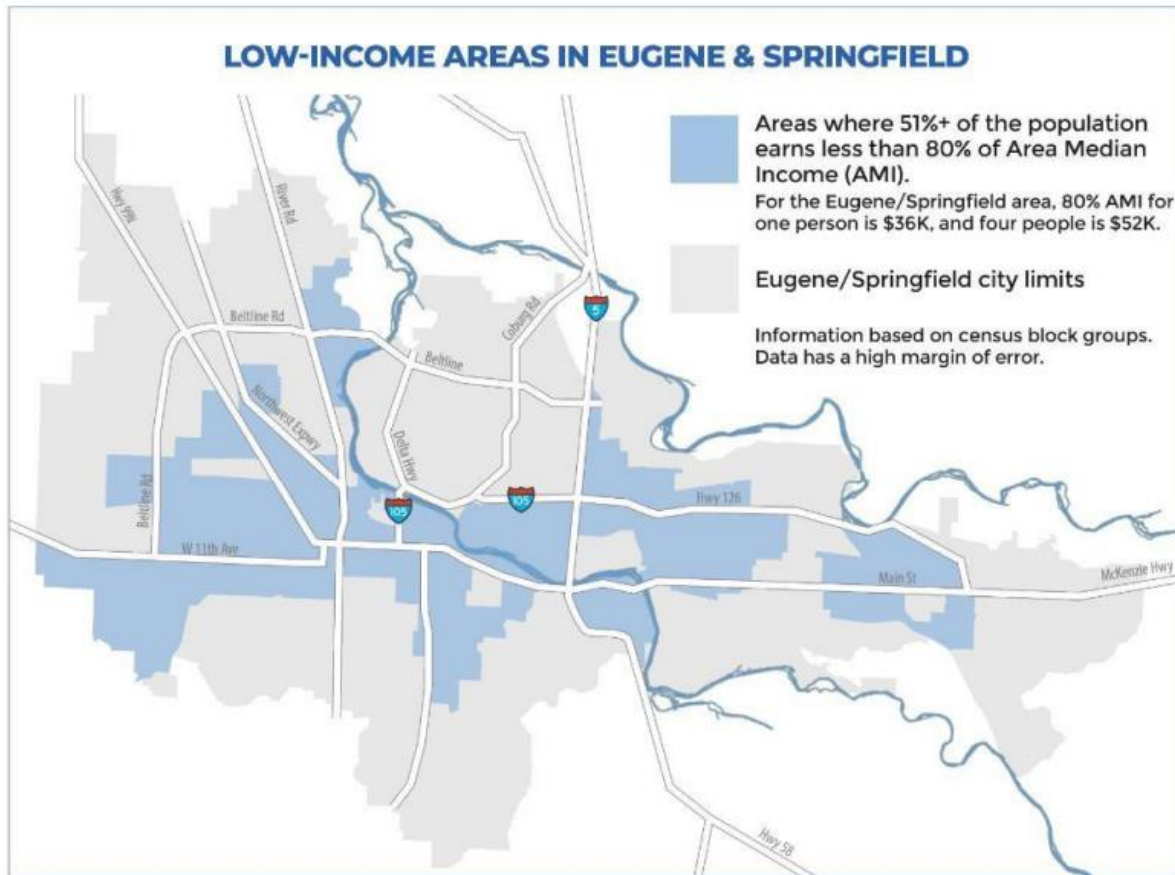
The Eugene-Springfield metropolitan statistical area (MSA) is the 146th largest statistical area in the US and the third largest in the state behind Salem and Portland. The Eugene-Springfield metropolitan area is in Lane County, in the central, western portion of the state of Oregon. The community is situated at the confluence of the McKenzie and Willamette rivers at the head of the Willamette Valley. The Willamette River flows northward from the southern valley to the Columbia River at Portland and Vancouver, Washington. The Eugene-Springfield metropolitan area is approximately 440 feet above sea level, and the topography of the area is flat valley floor and flood plain land. The head of the Willamette Valley is bordered by the Coast Range on the west and the Cascade Range foothills on the east; the area to the south is mountainous as well. The valley is open to the north. Eugene is home to the University of Oregon and is also known as “Track Town USA” for its running trails and Hayward Field, a historic track and field stadium which was recently rebuilt. Springfield, historically a mill town, is situated between the McKenzie River and the middle fork of the Willamette River. Bedroom communities within commuting distance of the larger metropolitan area include Veneta, Junction City, Harrisburg, Coburg, Creswell and Cottage Grove. The metropolitan area is popular for its natural beauty and rich recreational opportunities bolstered by its proximity to the Cascade Mountains, Willamette Valley vineyards, and Oregon coast.

Population & Demographics

Eugene’s 2020 population was 173,620 and Springfield’s population was 61,535, for a combined population for Eugene/Springfield of 235,155 people. This is compared to Lane County as a whole which has 381,365 people and Oregon which has 4,268,055 people. The growth of Eugene, Springfield, Lane County and Oregon by decade is summarized in the chart.



Population has continued to increase in all areas but at a slowed growth rate. Springfield in particular has had a dramatically slowed population increases compared to the remainder of the state and to prior years’ growth, most likely due to limited availability of housing in this area. The population of Eugene and Springfield is aging, with the percentage of persons between 60 and 75 years of age nearly doubling in the last 20 years. Family households make up the largest percentage of households, however, the largest growth in household type has been non-family households. According to the Eugene-Springfield 2020 Consolidated Plan for Housing & Community Development, median household income for both Eugene and Springfield is lower than the US and Lane County as a whole with approximately 20% of households. In both cities having incomes below the poverty levels.



Real Estate Development Patterns

The regional area has experienced market expansions and recessions parallel to the national economy. High growth periods occurred in the 1920's, 1960's, 1970's, 1990's, mid 2000's and most recently in the last few years through 2020. The late 2000s economic recession severely curtailed new development in almost all segments of the local market area but this most recent expansion has increased development activity, absorption of vacant lots, and lowered vacancy throughout the market area.

Residential Development—

The majority of the area was built-out prior to the 1980's with average-quality homes. New construction expanded in the early 1990's until the recession beginning in 2008. A substantial housing inventory of newer, higher-quality homes was added during this time. Over 10,000 new single-family homes have been added in Eugene and Springfield in the last 20 years, or an average of 500 per year. However, only 3,000 of those housing units were added in the last 10 years, indicating a significant slowdown in construction pace in the last decade. This was due in part to the recession but is also due to high construction costs and limited land supply. The slowed average of 300 new homes per year is well below projected need.

Market Area Description

Multi-family development in Eugene features primarily wood-frame, garden-court-style suburban apartment complexes constructed over the last 50 years. In recent years, several luxury housing projects have emerged which feature low to mid-rise buildings, high quality construction and good on-site amenities. Over 9,000 new apartment units have been constructed in Eugene over the past 20 years, or 450 units per year on average. Most of the construction between 2010 and 2014 was located on the University of Oregon campus as this area of development thrived even during the recession due to enrollment increases and lack of housing supply. Campus development accounts for approximately 3,500 units (or nearly 40%) of the new units added in the last two decades. Low inventory of single-family homes (well under 3 months inventory) suggests substantial demand for new single-family housing units. Vacancy remains low in multi-family developments, although, with the substantial new inventory added to the area it is likely that rents will stabilize through 2021 with a potential rise in vacancy as the market surpasses equilibrium. In the last 10 years Eugene has shifted to a majority renter-occupied City, whereas Springfield has retained a slight majority of owner-occupied homes.



A variety of assisted housing developments serve low-income persons in the cities of Eugene and Springfield. There are approximately 4,500 assisted living developments in both cities including projects with Section 8, Low-Income Housing Tax Credits, or other project-based subsidies. There are approximately 1,800 households on public housing waiting lists with typical wait times between 1 and 5 years, indicating a vast under-supply of affordable housing units in the area.

Commercial and Industrial Development—

Retail development includes a CBD in Eugene's downtown core, The Shoppes at Gateway and Valley River Center, the areas two regional malls, Oakway Center, and a wide range of neighborhood shopping centers.



Downtown Eugene contains a large amount of office space with city, county, and federal governments occupying the largest share. The downtown Springfield area has a limited supply of general office space, with government agencies occupying the majority of what is available. Over the past 15 years, newer offices have been developed in the Coburg Road, Chad Drive, and Crescent Avenue subareas in north Eugene, as well as in the Gateway subarea in northwest Springfield.

The Eugene-Springfield metropolitan area has several established industrial neighborhoods. The West Eugene industrial

neighborhood is the largest and most heavily developed industrial area in the city of Eugene. Other industrial development in Eugene is located near Highway 99N/Airport Road, a developing area with a large amount of vacant land. Industrial development in Springfield is located on the south side of South A Street and in areas near Olympic Street and 42nd Street

Economic Conditions

The Eugene-Springfield metropolitan area is the regional hub for manufacturing, services and government in the southern Willamette Valley. Lane County has a diverse economy which has further expanded in the most recent expansion. Once heavily reliant on forest product manufacturing, the local economy has expanded in the last few decades to include an increasing number of jobs in service industries, food and beverage, tech companies and health care. According to the Oregon Employment Department, the principal employers as of 2019 include a heavy concentration in healthcare, government and education. Wages have risen since the Great Recession, but the loss of manufacturing jobs has tempered wage growth overall in the region.

Lane County 2019 Principal Employers

	Total 2019	Percent of Total Employment
Peace Health Corp	5,855	3.77%
University of Oregon	5,573	3.57%
Eugene 4J School District	2,283	1.46%
City of Eugene	1,866	1.20%
U.S. Government	1,747	1.12%
Oregon State Government	1,715	1.10%
Lane County Government	1,678	1.07%
Springfield School District	1,670	1.07%
Lane Community College	1,500	0.96%
McKenzie Willamette Medical	1,066	0.68%
Total Principal Employer	24,982	16.01%

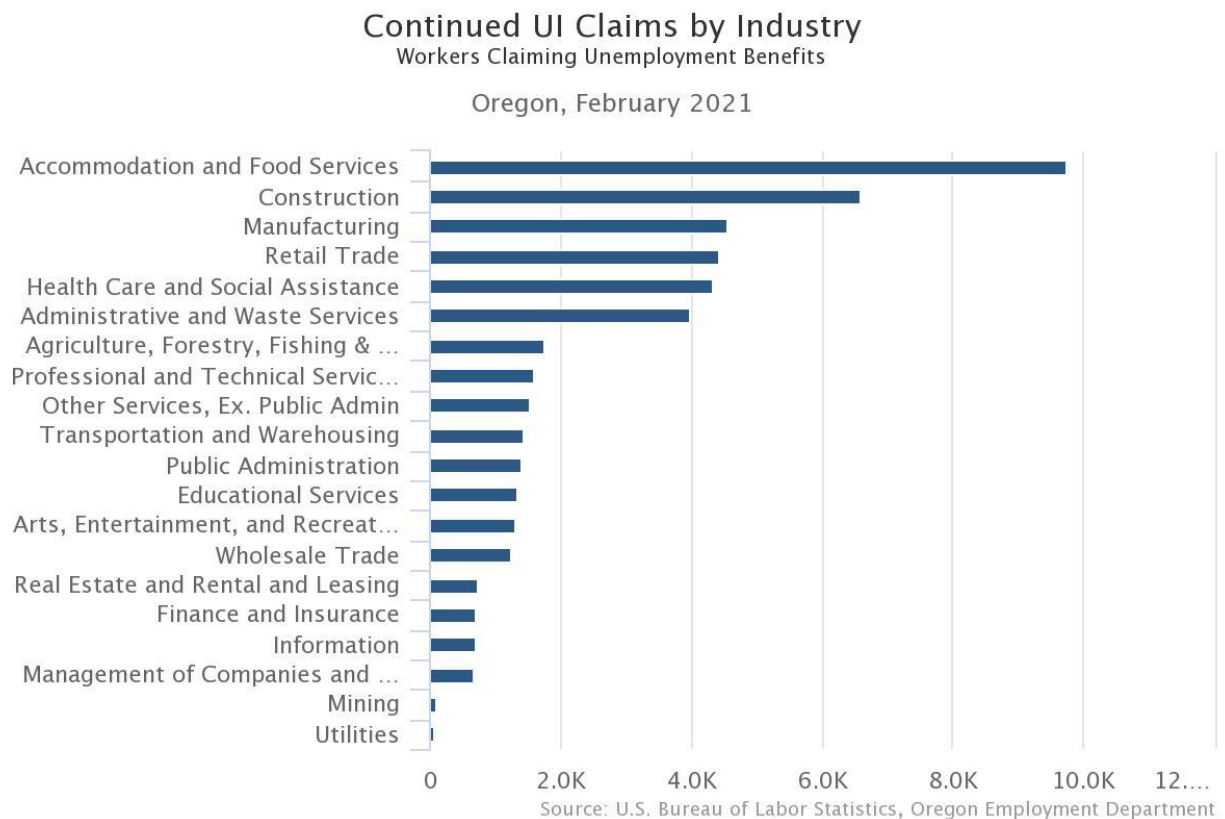
Source: Oregon Employment Department; Eugene Area Chamber of Commerce

The Eugene-Springfield metro area saw a gradual but consistent recovery from the Great Recession of the late 2000s into 2019 and had gained back all of the jobs lost by the end of 2016 with continued unemployment declines into the economic expansion. Not all sectors returned to pre-recession levels, however, most have experienced a substantial recovery, including financial activities, construction, manufacturing and information.

Statewide, Oregon's economy continued to expand through 2019, and per capita personal income was rising. However, in March 2020, the COVID-19 pandemic became a matter of government concern in Oregon. The effect on employment in Oregon was almost immediate.

By the end of March 2020, there were 44,000 weekly unemployment claims processed, with many more pending, compared to 3,600 to 3,700 weekly claims at the beginning of

the month.⁶ By mid-April 2020 it is estimated that over 300,000 initial unemployment insurance claims were received in the state of Oregon. The most affected industries to date are trade, government and leisure and hospitality. As of February 2021, the unemployment rate was 6.2% in Oregon and in Lane County.



Across the state, the impacts of the COVID-19 recession have been evident, along with a combination of other disruptions that have affected local employers and workers in different ways. The most recent economic forecast from the Oregon Office of Economic Analysis (OEA) projects the economy will return to early 2020 levels of employment by mid-2023. Highlighting the December 2020 forecast on the OEA blog economist Josh Lehner wrote, “While the economic recovery continues, the virus is in control. Expectations were already that growth would slow noticeably over the colder, wetter months ahead. The latest surge in COVID cases all but ensures it.” Given the fall resurgence of the virus, and the longer-term effects of events like catastrophic wildfires, local economic recovery from the events of 2020 will stretch on for months and years to come.

Transportation

The metropolitan area is served by the Interstate 5 (I-5) freeway, the westernmost interstate freeway system in the U.S., which extends the length of the West Coast. This freeway bisects the metropolitan area from north to south and forms the boundary between Eugene and Springfield. Interstate 105 (I-105), an inter-urban freeway, traverses I-5 connecting Eugene and Springfield. Several major state highways pass through the

6. Sykes, Shawna. “COVID-19 Causes Spike in NW Oregon Unemployment Claims.” Worksource Oregon, 4 April 2020, Web.

community and provide a direct route of travel to the major markets throughout the region. The city of Eugene is a major switching area for the Union Pacific and BSNF railroads. Motor freight carriers and the Greyhound bus line also service the metropolitan area. Eugene Airport, also known as Mahlon Sweet Field, is the fifth-largest airport in the Pacific Northwest and the largest non-hub airport in the nation, providing commercial air service to major cities in six western states.⁷ The Port of Coos Bay, located 120 miles to the southwest, is the largest deep-draft coastal harbor between San Francisco Bay and Puget Sound, and is Oregon's second-busiest maritime commerce center.⁸

Education

The metropolitan area is served by three school districts: Eugene, Springfield and Bethel, containing a total of 35 elementary schools, three K-8 schools, 15 middle schools, seven comprehensive high schools, four alternative high schools, an international high school program on multiple campuses, three K-12 language immersion programs, and a life skills program. There are six charter schools among the three districts. The area is also served by several parochial and college preparatory schools.

Eugene is the home of the University of Oregon, Lane Community College, Gutenberg College, Northwest Christian /Bushnell University and New Hope Christian College. The University of Oregon (UO) is a four-year state university with an enrollment approximately 23,000 students. UO has earned national and international recognition for excellence in its law school, business, journalism and music colleges, as well as its chemistry, creative writing, psychology and special education programs.

Lane Community College (LCC), a two-year public college, includes general education courses, lower-division college transfer courses, and occupational training. Over 36,000 students take credit or noncredit classes at LCC, which has the third largest enrollment of credit students of the 17 community colleges in Oregon. The main campus is located in



south Eugene with a satellite campus located in Downtown Eugene. LCC also offers a Flight Technology Center at the Eugene Airport, community learning centers in Cottage Grove and Florence, and several outreach centers in area high schools and other sites.

Utilities & Community Services

Water and sewerage are provided by local municipalities, while solid waste disposal service falls to various private firms. Eugene Water and Electric Board, Springfield Utility Board, and Northwest Natural Gas serve most areas throughout Eugene and Springfield. The cities have individual police departments and are involved in a phased consolidation of the fire departments, while outlying areas are served by rural fire districts and the county sheriff's department. Three hospitals serve the region. Sacred Heart Medical Center at RiverBend, opened in the Gateway area of Springfield in 2008 by non-profit

7. *Eugene Airport Media Guide*, Eugene Airport website, <http://flyeug.com>.

8. Oregon International Port of Coos Bay, "Navigation & Channel Data," <http://www.portcoosbay.com>.

operator PeaceHealth, is licensed for 338 beds and is the only Level II trauma center in Lane County. Sacred Heart Medical Center University District, a 104-bed specialty hospital, is located near the University of Oregon campus in central Eugene. Since completion of RiverBend, PeaceHealth has invested substantially in the University District hospital. McKenzie-Willamette Medical Center, an investor-owned acute care hospital licensed for 114 beds, is located in the north-central neighborhood of Springfield. Additionally, the State of Oregon opened a 211,000-square-foot, 174-bed state psychiatric hospital in Junction City in 2015.⁹ In 2016, the U.S. Department of Veterans Affairs opened a 126,000-square-foot hospital in northeast Eugene. The hospital is estimated to have cost \$50 million, and services include surgeries, podiatry and dental care.

Government Controls & Regulations

Eugene and Springfield are both governed by a mayor/city council/city manager form of government. Lane County has a commission form of government with five county commission districts. Eugene is the county seat. Oregon and Lane County rely on income and property tax receipts for school, local, state and general funding; there is no sales tax in Oregon.

Oregon has one of the most comprehensive land use planning systems in the United States. The system was established in the early 1970s as a way to facilitate orderly development, control urban sprawl and preserve farmland. Each local government was required to establish an Urban Growth Boundary (UGB) and develop a plan in which growth outside the boundary cannot take place until the interior of the boundary is filled. The State Land Conservation and Development Commission (LCDC) was established to oversee the process. Local planning departments and commissions retain the authority to direct growth in their respective jurisdictions, and adherence to the goals of the statewide land use planning system varies within the state. The state Land Use Board of Appeals (LUBA) was established to settle disputes not resolved at the local level. Citizens may challenge local decisions by appealing to LUBA.

Summary & Trends

Eugene and Springfield are typical western American cities in that they were founded on, and still somewhat depend on, resource-based industries. Major local institutions such as the University of Oregon and government agencies have provided an increased level of stability, however, these institutions have been the most impacted thus far by the COVID-19 pandemic as evidenced by the previously presented information. The economy has diversified over the past several years and is expected to continue to do so in the future, particularly entering this new market cycle. The local economy tends to parallel national and state business cycles and trends and experienced an atypically long expansion period up through early 2020. The United States officially entered a recession in February 2020 after a record period of expansion. The pandemic and public health response have resulted in a downturn with different characteristics than prior recessions but the magnitude of the decline in employment and production and broad reach across the nation warranted the designation. The state and federal governments have spearheaded efforts to provide financial relief in the form of extended unemployment benefits, restrictions on evictions, stimulus payments for taxpayers and small business loans. In terms of relief, on December 27, 2020, former President Donald Trump signed

9. Carillo, Angelica. "New psychiatric hospital in Junction City to welcome first patients this week." *KMTR*. 8 March 2015. Web.

Market Area Description

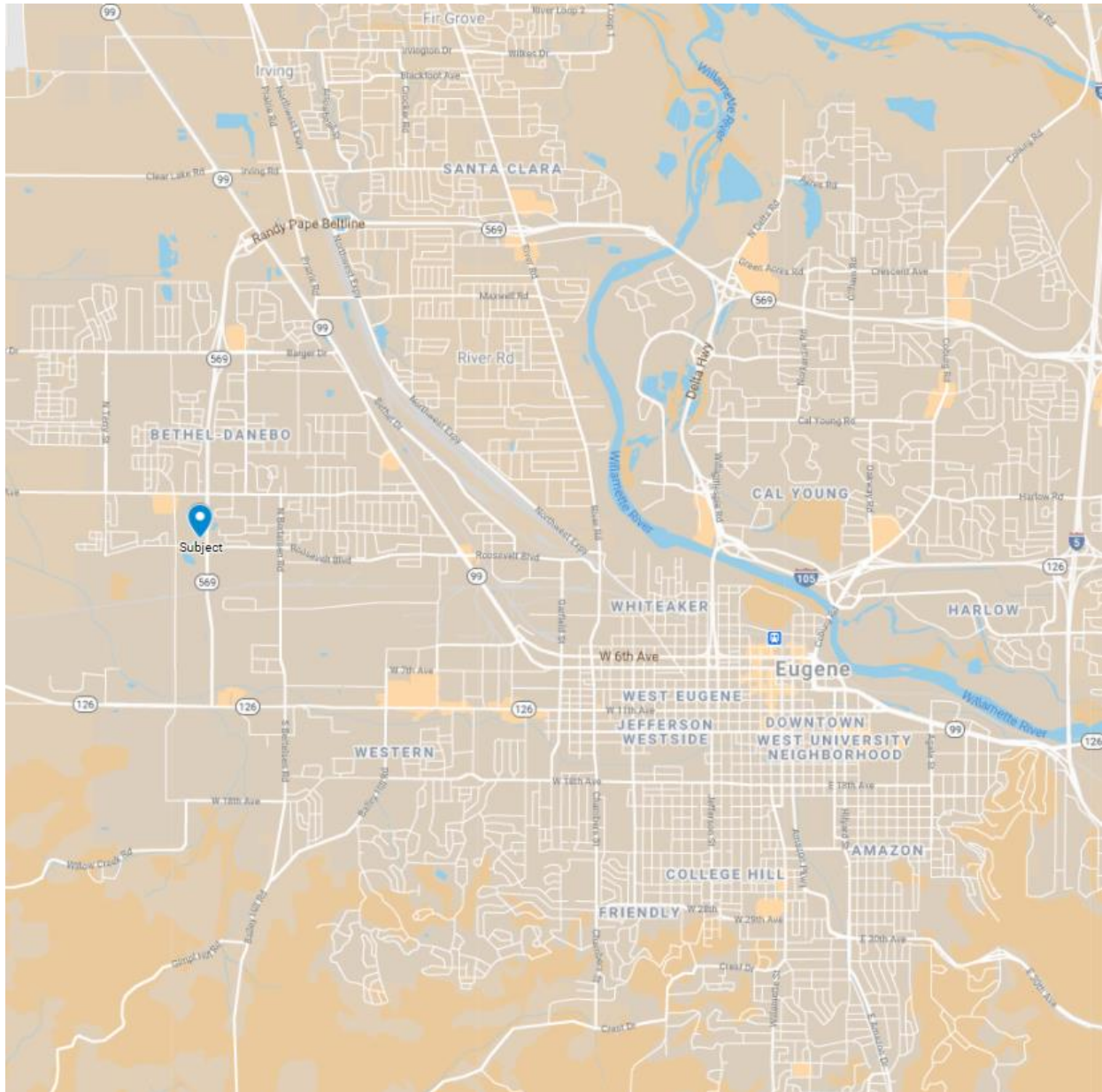
a \$900 billion pandemic relief package to deliver long-sought cash to businesses and individuals and avert a federal government shutdown. President Joe Biden has recently approved additional relief for struggling Americans, in the form of a \$1.9 trillion bill. His administration is also pushing to accelerate the pace of vaccinations to control the spread of COVID-19 and allow the economy to open back up faster.

Discussions at the federal and state levels concerning the extent of reopening the economy are ongoing and dependent on infection and hospitalization rates, testing capabilities, medical supplies and resources, and the recommendations of national and regional health authorities. On December 11, 2020, the U.S. Food and Drug Administration issued the first emergency use authorization (EUA) for a vaccine for the prevention of coronavirus disease 2019 (COVID-19). The vaccine is offering hope in the fight against the pandemic and recently President Biden announced that his administration will have secured enough supplies of vaccines by the end of May for all adults in the country. Many states have loosened restrictions and many Oregon counties including Lane County have moved out of the extreme risk level allowing for opening of indoor activities with some restrictions. However, Governor Kate Brown recently extended Oregon's declaration of a state of emergency until May 2, 2021.

Historically, real estate values have appreciated and depreciated with the swings of the local economy and the amount of in-migration. Real estate values appreciated over the most recent economic expansion cycle, with higher transaction volume over the past few years as interest rates have remained low. In the near term it is likely that retail and hospitality sectors will continue to experience declining occupancy and rents, and will be perceived as high-risk property types, with recovery dependent on the evolution of the pandemic. Multi-family, industrial and office properties could ultimately experience some declines in occupancy and rents, but the short-term outlook is for stability in the coming months as the local economy responds and adjusts to the ongoing pandemic.

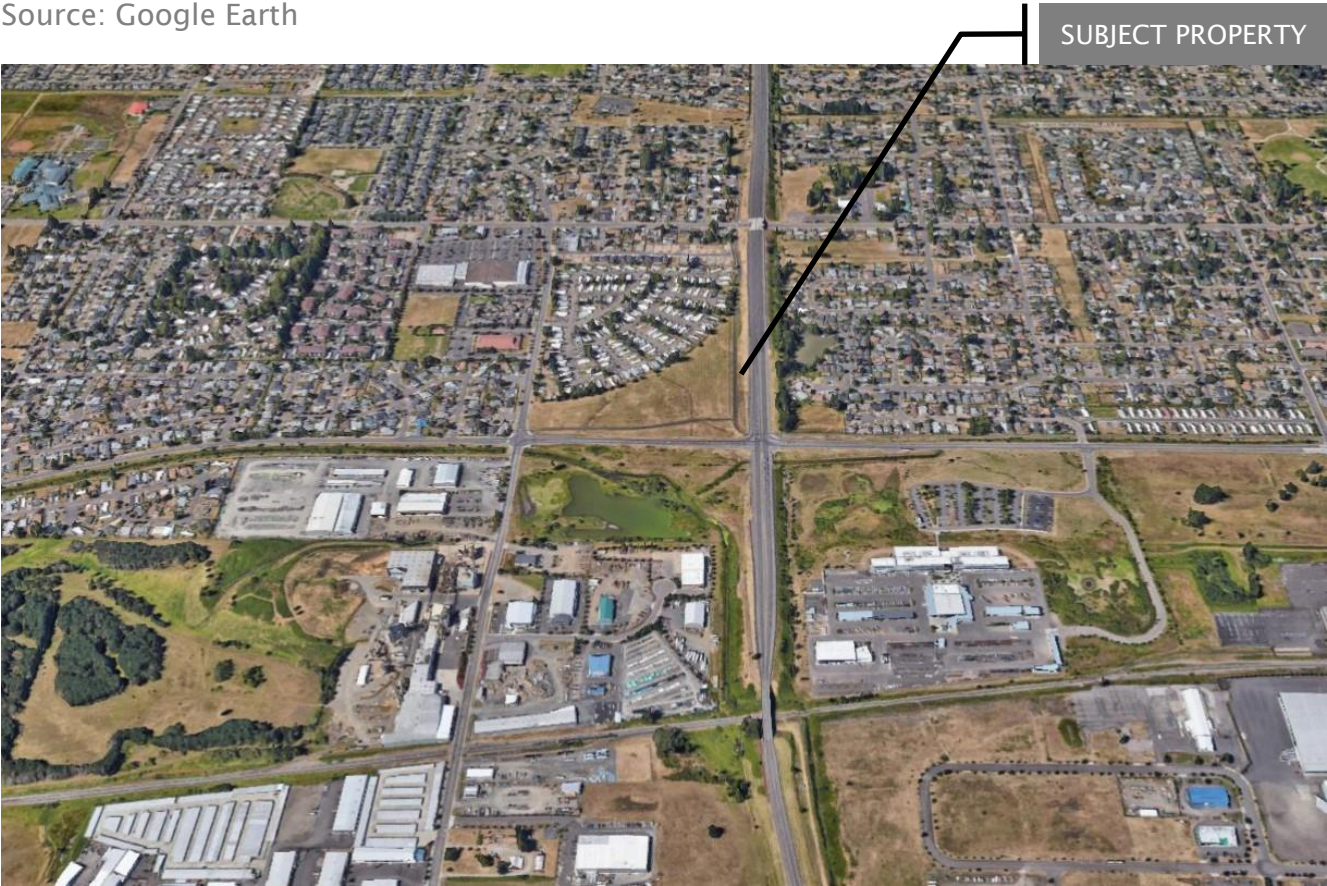
CITY MAP

Source: Google Maps



NEIGHBORHOOD MAP

Source: Google Earth



NEIGHBORHOOD DESCRIPTION

Danebo

The subject is located in an area of northwest Eugene commonly referred to as Danebo. The neighborhood boundaries can be generally defined as Highway 99 on the east, the city limits on the west and north, and West 11th Avenue on the south. The land area of the neighborhood is generally level valley floor that was originally wet prairie, was drained for agricultural uses, and has most recently been in transition from agricultural land to predominantly suburban residential uses. The specific land uses are described below.

Residential Development

The neighborhood was in agricultural and rural residential use until the 1970s. Historically, the subject neighborhood is an area developed primarily with entry-level single-family homes, lower-priced apartment units, and manufactured housing. Most of the housing stock was constructed after 1970 with the most active development in the 1970s and the 1990s. A large amount of small, low-quality homes in tract-style developments were constructed in the area in the mid and late 1970s. These homes are typically 900 to 1,300 square feet with two or three bedrooms and one bathroom, located on 6,000- to 10,000-square-foot lots. Development since 1990 has been generally of higher quality than 1970s construction. Northwest Eugene was one of the most active areas for new subdivision development and home construction in the Eugene/Springfield metropolitan area since 1990 due to the availability of vacant, easy to develop land. Prior to the late-2000s recession, development in the area had been very active. Several newer subdivisions were developed over the past seven to ten years. New homes typically ranged from 900 to 2,500 square feet. The neighborhood is expected to continue to be an area of growth over the next several years. However, the amount of vacant development land in the area has declined substantially as most of the readily developable sites were built out with subdivisions.

The subject neighborhood has the largest concentration of manufactured homes of any neighborhood in the Eugene/Springfield metropolitan area. There are more than 2,000 manufactured home spaces in the subject neighborhood in parks ranging from new to 25+ years old. Most of those parks are fully absorbed. The neighborhood to the west of Randy Papé Beltline has the largest amount of manufactured home park development.

The subject neighborhood has a small amount of older multiple-family developments, primarily duplexes and triplexes. These developments are typically wood-frame, T1-11 sided, 1970s construction. Several newer complexes were constructed by Slayden Construction Group on Barger Drive, near Randy Papé Beltline. Two complexes containing 462 units were built in 1998-2000, and a newer 84-unit complex was completed shortly after Slayden constructed 300 additional units on a site on Royal Avenue.

Commercial Development

Commercial development in the subject neighborhood increased greatly over the several years before the late-2000s economic recession. Before 2000, the only project was located on the southeast corner of Randy Papé Beltline (then Beltline Highway) and

Barger Drive. Since that time, Barger Crossing was developed on the northeast side of the intersection of Barger Drive at Randy Papé Beltline, containing a Winco grocery store, service shops, and fast-food restaurants. Since 1999, several medical and dental offices, a medical clinic, and a retirement/assisted living and memory care facility were completed in the area between Cubit Street and Highway 99N off Barger Drive. Another commercial center was developed at the southeast corner of North Danebo Avenue and Royal Avenue with a big box anchor, a Rite-Aid, gas stations, fast food, and other retail and office facilities.

Industrial Development

Industrial development in the subject neighborhood is concentrated in the southern portion between Roosevelt Avenue and the Union Pacific rail line. Industrial land uses include many small, single-tenant industrial buildings primarily used for distribution, sales, or light manufacturing, and the EWEB Roosevelt Operations Center completed in 2010. Industrial structures in the neighborhood range from low cost, metal-frame, metal-clad buildings to good-quality, concrete tilt-up buildings. The majority of the industrial development in the neighborhood has occurred since 1960, with a large percentage occurring in the 1970s. Very little development occurred in the 1980s. The majority of the vacant land in the neighborhood, mostly old mill sites, is zoned for industrial development. Since the neighborhood contains a large amount of wetlands, development has been impacted significantly by mitigation issues. Wetlands mitigation has caused development in the neighborhood to be more expensive than in other areas of Eugene. Overall, industrial development in the neighborhood is expected to continue at a steady pace following the economic recovery.

Community Development

The subject neighborhood is served by the Bethel School District, which includes Willamette High School. The district's two traditional middle schools, Cascade and Shasta, serve students in grades 6-8. Meadow View School, a K-8 facility, opened in 1998. Prairie Mountain School, another K-8 school, opened in 2002. The district's five elementary schools include Clear Lake, Danebo, Fairfield, Irving and Malabon are home to grades K-5. There are approximately 10 parks located in the Bethel-Danebo neighborhood, including the Meadowlark Prairie wetlands area. Checkermallow Access, a public pathway, is located off of Royal Avenue.

Transportation

The subject neighborhood is an automobile-oriented suburban area. Arterials through the neighborhood are Barger Drive, Royal Avenue, and Roosevelt Avenue in the east/west direction and Randy Papé Beltline and Danebo Avenue in the north/south direction. Randy Papé Beltline, which bounds the neighborhood on the north and west, was reconstructed as a four-lane, limited access freeway in the vicinity of the neighborhood. The Lane Transit District, the local municipal bus system, operates within the subject neighborhood with service on the arterials. Mahlon Sweet Field, the airport that serves that entire southern Willamette Valley region, is located approximately five miles north.

PROPERTY DATA

Legal Description

A Preliminary Title Report has been prepared by First American Title Insurance Company, dated April 30, 2019. The report is included within the Addenda and sets forth the legal description for the subject property.

History and Ownership

Research of the property's history included a review of Lane County records and review of the local Multiple Listing Service. According to the preliminary title report, ownership of the subject property is vested in *City of Eugene*.

According to Lane County records, there have been no sale transactions involving ownership of the property in the past five years.

Present Use

The subject is a vacant parcel utilized for right-of-way area for the Randy Papé Beltline Road. The Beltline Road encroaches on to the eastern portion of the site. There is also a public pedestrian and bike path crossing the southern portion of the site.

Tax and Assessment Data

Owners of real and business personal property pay property taxes according to the assessed value of taxable residential, commercial, farm, industrial, utility and timber property. County assessors use permanent rates set for all taxing districts in fiscal year 1997-98, when taxes were significantly reduced with a statewide average 17% cut in tax levies. Certain types of levies are outside this reduction. The tax rates cannot exceed \$15 per \$1,000 of real market value. For 1997-98, all property was valued by county assessors at 90% of the July 1, 1995, levels. For subsequent years, assessed values are limited to a 3% annual growth rate. Construction since July 1, 1995, is valued at the average rate of similar properties in the area. One-third payment is due by November 15. If fully paid by November 15, a 3% discount is allowed. Special exemptions, tax relief programs and deferrals are available.

The Lane County Department of Assessment and Taxation identifies the subject property as Tax Lot 100 on Map 17-04-28-10. The 2020-2021 certified real market value, assessed value and taxes by the Lane County Department of Assessment and Taxation are as follows:

Tax and Assessment Data 2020-2021

Tax Lot	Account	Land	Improvements	RMV Total	Assessed	Taxes*
100	0460012	\$501	\$0	\$501	\$501	\$0.00

**The Subject is publicly-owned and is exempt from taxation.*

Pertinent Conditions of Title

A Preliminary Title Report, prepared by First American Title Insurance Company was provided. This report indicates 5 general exceptions to title and 6 special exceptions. Exceptions 1 through 5 are standard general exceptions issued in a title policy regarding

taxes or assessments, facts, rights, interests or claims, easements, or claims of easements, any encroachments, liens or right of liens not shown by the public records.

The special exceptions reference water rights, or claims to water rights, mention of the property being under public ownership and tax exempt, a note that there are no liens on the property of the date of the preliminary title report, as well as mention of the rights of the public in portions of the property lying within streets, roads or highways. There are two public utility easements noted in the report. Exception 10 references an easement for a pipeline in favor of Bethel Water District. Exception 11 references an easement for a gas pipeline in favor of Northwest Natural Gas Company. A copy of the facilities map was provided by the property owner representative, which shows the easements crossing the southern portion of the site to the south of Roosevelt Boulevard, which are highlighted in blue.



None of the special exceptions noted in the preliminary title report are considered to have a negative effect on the marketability of the subject property when compared to competing properties.

Upon physical inspection of the subject, it was noted that the Randy Papé Beltline Road encroaches onto the eastern portion of the site. There are no known easement documents for the Beltline Road encroachment listed in the preliminary title report. Inquiries were also made to the property owner representative, as well as representative from the Oregon Department of Transportation, but no additional easement information was provided or available to the appraiser. Both the property owner representative and ODOT representative agreed that the roadway is an encroachment.

There is also a public pedestrian and bike path encroachment crossing east to west over the southern portion of the subject site to the intersection of Beltline Road and Roosevelt

Boulevard. The path continues on the adjacent property to the west and runs west to N. Danebo Avenue and also runs to the north on the abutting property adjacent to the subject west property line. There are no known easement documents for the public path listed in the preliminary title report. Inquiries were also made to the property owner representative, as well as representative from the Oregon Department of Transportation, but no additional easement information was provided or available to the appraiser. The road and public path encroachments reduce the usable size of the site, but do not adversely affect the marketability of the site based on its highest and best use. No other easements, encroachments or encumbrances were noted that would have a negative impact on the subject property when compared to competing properties. ***A specific assumption of this report is that no negative easements affect the subject property. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.***

SUBJECT PHOTOGRAPHS

Photographs Taken by Clint C. Becraft, MAI on February 23, 2021



Viewing north along the west property line from Roosevelt Boulevard.



Northwest view from the public path crossing the subject site.



North view from the public path on the adjacent property to the west (Tax Lot 300).



Viewing south on the west property line of the subject site.



Viewing north on the west property line.



Viewing north on the west property line.

Subject Photographs



Viewing south on the west property line.



West view of Roosevelt Boulevard.



South view of the south portion of the subject site on the south side of Roosevelt Boulevard.



North view toward the south portion of the subject site on the south side of Roosevelt Boulevard.



Viewing west near the south property line of the subject site.



North view toward the adjacent property (Tax Lot 300) from the south side of Roosevelt Boulevard.

SUBJECT SITE DESCRIPTION

Map 17-04-28-10, Tax Lot 100



Site Size:

According to Lane County records, the gross site size is 2.37 acres. The site includes approximately 1.9 acres of area north of Roosevelt Boulevard, of which approximately 0.76-of-an-acre is located under the Beltline Road encroachment. The area to the south of Roosevelt Boulevard is estimated at 0.25-of-an-acre. The estimated remaining 0.22-of-an-acre of the site is allocated to the Roosevelt Boulevard right-of-way. The usable area of the parcel is 2.15 acres excluding the area in the Roosevelt Boulevard right-of-way.

The estimated sizes of the allocated areas are based on information available from maps, GPS technology and online measuring tools on the Regional Land Information Database (RLID). There has been no survey provided indicating the size of the allocated areas of the site. This appraisal report is based on an extraordinary assumption that the estimated sizes are accurate. The application of this extraordinary assumption may affect the assignment results.

Shape/Topography:

The subject is a nearly rectangular-shaped parcel with frontage on the west side of Randy Papé Beltline Road. Roosevelt Boulevard also bisects the south portion of the

Subject Site Description

property. The topography of the site ranges from level to moderately upsloping to the east to the adjacent roadway on the north portion of the site.

Abutting Properties—

North:

Public right-of-way.

East:

Randy Papé Beltline Road, followed by residential development.

South:

Public right-of-way.

West:

Undeveloped land with Agricultural zoning and a comprehensive plan designation of Low Density Residential.

Utilities:

All public utilities including water, sewer, electricity, natural gas and telephone are available.

Street Improvements:

Roosevelt Boulevard is an asphalt-paved, two-way arterial street with two-traffic lanes, a center turning lane and graveled shoulders. Randy Papé Beltline Road is an asphalt-paved limited access Oregon State highway with four traffic lanes. The Beltline Highway was constructed by Lane County in the 1960s and transferred to state control in 1978 as Highway 69.

Exposure & Frontage:

The subject property has good exposure to traffic from the adjacent roadways.

Accessibility:

The subject does not have a legal vehicular access from either of the adjacent roadways.

Flood Hazard Area:

According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C1108F, effective June 2, 1999, the subject property is located in Zone X, areas determined to be outside the 500-year flood.

Zoning:

The subject property is zoned R-1, Low Density Residential.

Wetlands:

There are no known wetlands located on the subject property based on the City of Eugene local wetlands inventory.

Soils:

The soil types and agricultural productivity ratings for the site using the Natural Resources Conservation Service web soil survey are summarized on the following chart. A copy of the soil map is included on page 41.

ID NUMBER	SOIL TYPE	% OF TAX LOT	CAP. CLASS	HYDRIC %
2212A	Awbrig silty clay loam	55%	4	97
31	Coburg silty clay loam	27%	2	4
32	Coburg-Urban land complex	18%	2	4
110	Pits	0%	8	0

In the agricultural capability system, soils are grouped at

Subject Site Description

three levels: capability class, subclass, and unit. Capability classes are designated by the numbers 1 through 8, which indicate progressively greater limitations and narrower choices for practical use. The majority of the site is composed of Awbrig silty clay loam, which are generally poorly drained soils, which limits agricultural productivity. The soils are suitable for grass seed and some grain crops but are generally rated as average due to the high percentage of Class 4 soils.

Hazardous Wastes:

An environmental site assessment of the subject property was not provided. The assignment results are predicated on the assumption that there are no hazardous wastes on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process. ***It should be understood the appraiser is not an expert in this field and if there is further concern with regard to hazardous materials, further research is advised.***

Site Rating:

Overall, the subject site is a long and narrow strip of land with limited utility due to its configuration and lack of legal vehicular access.

ABUTTING PROPERTY SITE DESCRIPTION

Map 17-04-28-10, Tax Lot 300



Site Size:

According to Lane County records, the gross site size is 17.39 acres. The site includes approximately 12.3 acres of area north of Roosevelt Boulevard and 2.74 acres on the south side of Roosevelt Boulevard and the north side of the Danebo Pond natural area. The estimated remaining 2.35 acres of the site is allocated to the Roosevelt Boulevard right-of-way. The usable area of the parcel is 15.04 acres excluding the area in the Roosevelt Boulevard right-of-way.

The estimated sizes of the allocated areas are based on information available from maps, GPS technology and online measuring tools on the Regional Land Information Database (RLID). There has been no survey provided indicating the size

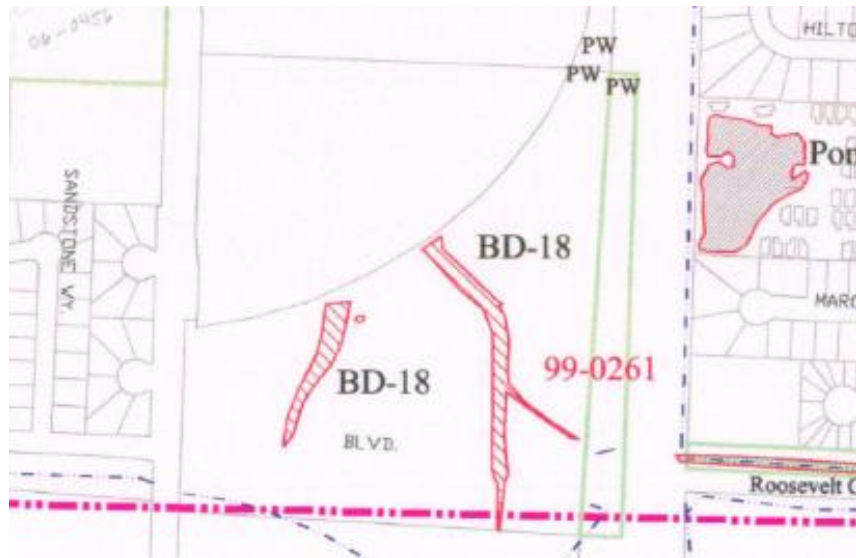
of the allocated areas of the site. This appraisal report is based on an extraordinary assumption that the estimated sizes are accurate. The application of this extraordinary assumption may affect the assignment results.

Shape/Topography:	The site is an irregular-shaped parcel with frontage on the east side of N. Danebo Avenue. Roosevelt Boulevard also bisects the south portion of the property. The topography of the site is mostly level, with the exception of riparian area on the south portion of the site that slopes downward to pond areas.
Abutting Properties—	
<i>North:</i>	Single-family residential development and public right-of-way area.
<i>East:</i>	Undeveloped land with Low Density Residential zoning, followed by Randy Papé Beltline Road and residential development.
<i>South:</i>	Public natural area known as Danebo Pond.
<i>West:</i>	N. Danebo Avenue, followed by single-family residential development.
Utilities:	All public utilities including water, sewer, electricity, natural gas and telephone are available.
Street Improvements:	Roosevelt Boulevard is an asphalt-paved, two-way arterial street with two-traffic lanes, a center turning lane and graveled shoulders. N. Danebo Avenue is an asphalt-paved, two-way city street with two-traffic lanes, a center turning lane and concrete curbs, gutters and sidewalks.
Exposure & Frontage:	The abutting property has good exposure to traffic from Roosevelt Boulevard and N. Danebo Avenue. The property is also visible from Randy Papé Beltline Road.
Accessibility:	The abutting property does not have an existing driveway approach from either of the adjacent roadways. There are no known restrictions on obtaining an access from N. Danebo Avenue.
Flood Hazard Area:	According to FEMA Flood Insurance Rate Map, Community Panel No. 41039C1108F, effective June 2, 1999, the abutting property includes areas located in Zone X, areas determined to be outside the 500-year flood and Zone A, areas of 100-year flood, no base flood elevations determined. The Zone A area appears to be in the far southwest corner of the site.
Zoning:	The property is zoned AG, Agricultural District with /WB, Wetland Buffer and /WP, Waterside Protection overlay zoning. The property also has a comprehensive plan designation of Low Density Residential.

Adjacent Property Site Description

Wetlands:

There size and location of the wetland areas are based on information obtained from the City of Eugene local wetlands inventory. The wetland map is provided below for a visualization.



The size of the wetland is indicated to be 1.03 acres in the inventory report. The wetlands are designated as Palustrine Emergent wetland.

Soils:

The soil types and agricultural productivity ratings for the site using the Natural Resources Conservation Service web soil survey are summarized on the following chart. A copy of the soil map is included on page 40.

ID NUMBER	SOIL TYPE	% OF TAX LOT	CAP. CLASS	HYDRIC %
2212A	Awbrig silty clay loam	58%	4	97
31	Coburg silty clay loam	26%	2	4
110	Pits	13%	8	0
32	Coburg-Urban land complex	3%	2	4
6	Awbrig-Urban land complex	0%	4	63

In the agricultural capability system, soils are grouped at three levels: capability class, subclass, and unit. Capability classes are designated by the numbers 1 through 8, which indicate progressively greater limitations and narrower choices for practical use. The majority of the site is composed of Awbrig silty clay loam, which are generally poorly drained soils, which limits agricultural productivity. The soils are suitable for grass seed and some grain crops but are generally rated as average due to the high percentage of Class 4 soils.

Hazardous Wastes:

A Phase I Environmental Site Assessment of the property was not provided. The assignment results are predicated on the

assumption that there are no hazardous wastes on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process. ***It should be understood the appraiser is not an expert in this field and if there is further concern with regard to hazardous materials, further research is advised.***

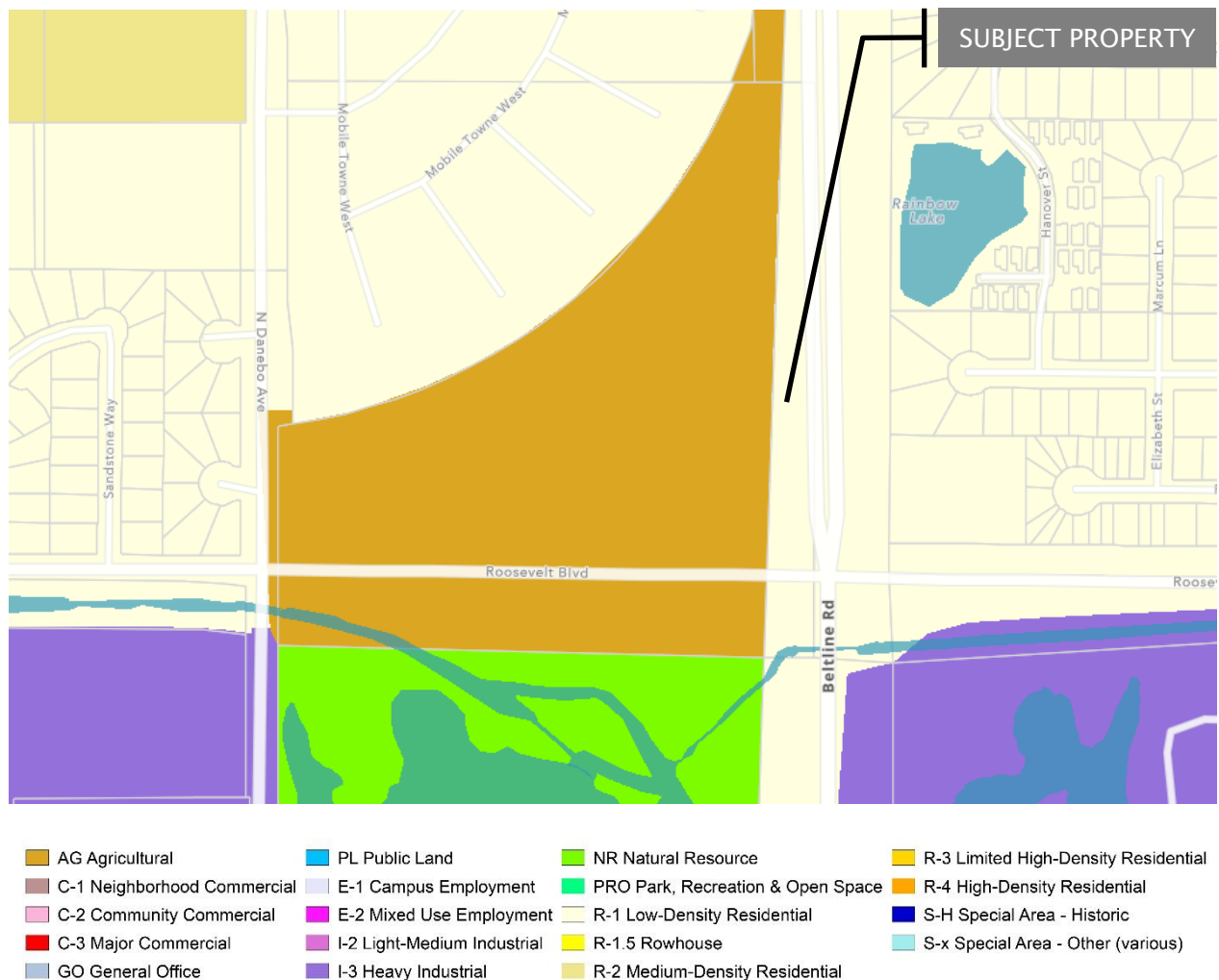
Summary:

Overall, the abutting property is an undeveloped site in agricultural use with potential for further development due to its comprehensive plan designation of Low Density Residential.

ZONING ANALYSIS

City of Eugene

The subject and abutting property are located within the city limits of Eugene. According to the City of Eugene, the subject is zoned R-1, Low Density Residential. The abutting property to the west (Tax Lot 300) is zoned AG, Agricultural District. Both properties have a comprehensive plan designation of Low Density Residential. The abutting property also has /WB, Wetland Buffer and /WP, Waterside Protection overlay zoning.



9.2700 **Purpose of R-1 Low Density Residential Zone.** "The purpose of the R-1 Low-Density Residential zone is to implement the comprehensive plan by providing areas for low-density residential use. The R-1 zone is designed for one-family dwellings with some allowance for other types of dwellings, and is also intended to provide a limited range of non-residential uses that can enhance the quality of low-density residential areas."

9.2000 **Purpose of AG Agricultural Zone.** "The purpose of the AG agricultural zone is to allow agricultural uses within the urban growth boundary until land is

converted to urban development. Agricultural uses are considered interim uses until public facilities and services can be provided in an economical manner and urban development of the site would result in compact urban growth and sequential development.”

9.4800 **Purpose of /WB Wetland Buffer Overlay Zone.** “The purpose of the /WB overlay zone is to maintain or improve water quality within protected wetland sites identified in the West Eugene Wetlands Plan by maintaining an undeveloped setback area between the wetland and developed areas. Secondary benefits of buffers and setbacks include creating open space between the resource and adjacent uses, helping to maintain or improve wildlife habitat values and wetland hydrology, protecting the aesthetic value of the site and minimizing property damage from floods. The /WB overlay zone is also intended to maintain or enhance open space areas adjacent to wetlands identified for protection in the West Eugene Wetlands Plan. These open space areas are important because they typically contain native vegetation – convey, store, or improve the quality of urban stormwater runoff – and provide habitat for wildlife. Uses and activities permitted in these areas are restricted in most cases to those that are consistent with the purpose of this overlay zone. Where conflicting uses or activities must occur, either conditional use permit or site review approval based upon conformance specified in EC 9.2530 Natural Resource Zone Development Standards is required to minimize adverse impacts. The provisions of this overlay zone are intended to implement policies in the comprehensive plan that call for protection of wetlands, wildlife habitat, and surface and ground water quality. The provisions of this overlay zone are also intended to address state and federal laws and policies that regulate development within jurisdictional wetlands to protect water quality, including applicable provisions of the Federal Clean Water Act and the State of Oregon’s wetland laws.”

9.4700 **Purpose of /WP Waterside Protection Overlay Zone.** “The purpose of the /WP Waterside Protection overlay zone is to protect water quality in designated waterways, riparian areas, and adjacent wetlands by maintaining an undeveloped setback area between these features and adjacent developed areas. Maintenance of this setback area is also intended to protect wildlife habitat and prevent property damage from storms and floods. The /WP overlay zone is intended to maintain or enhance open space areas adjacent to water features. These open space areas are important because they typically contain native vegetation – convey, store, or improve the quality of urban stormwater runoff – provide habitat for wildlife and, where appropriate, can provide legally obtained access for channel maintenance. Uses and activities permitted in these areas are restricted in most cases to those that are consistent with the purpose of this overlay zone. Where conflicting uses or activities are proposed, site plan approval based on conformance with specified natural resource special standards (EC 9.2530 Natural Resource Zone Development Standards) is required to minimize adverse impacts. The provisions of this overlay zone are intended to implement policies in the comprehensive plan and refinement plans that call for protection of riparian vegetation, wetlands, waterways, wildlife habitat, and surface and ground water quality.”

Additional Information

The complete R-1, Low Density Residential and AG, Agricultural District zoning designations and /WB, Wetland Buffer and /WP, Waterside Protection overlay zoning as defined by the City of Eugene are retained within the appraiser's file. The development code, which includes building standards and permitted uses, is available on the City of Eugene's Web site: <http://www.eugene-or.gov>

SOIL MAP

Lane County



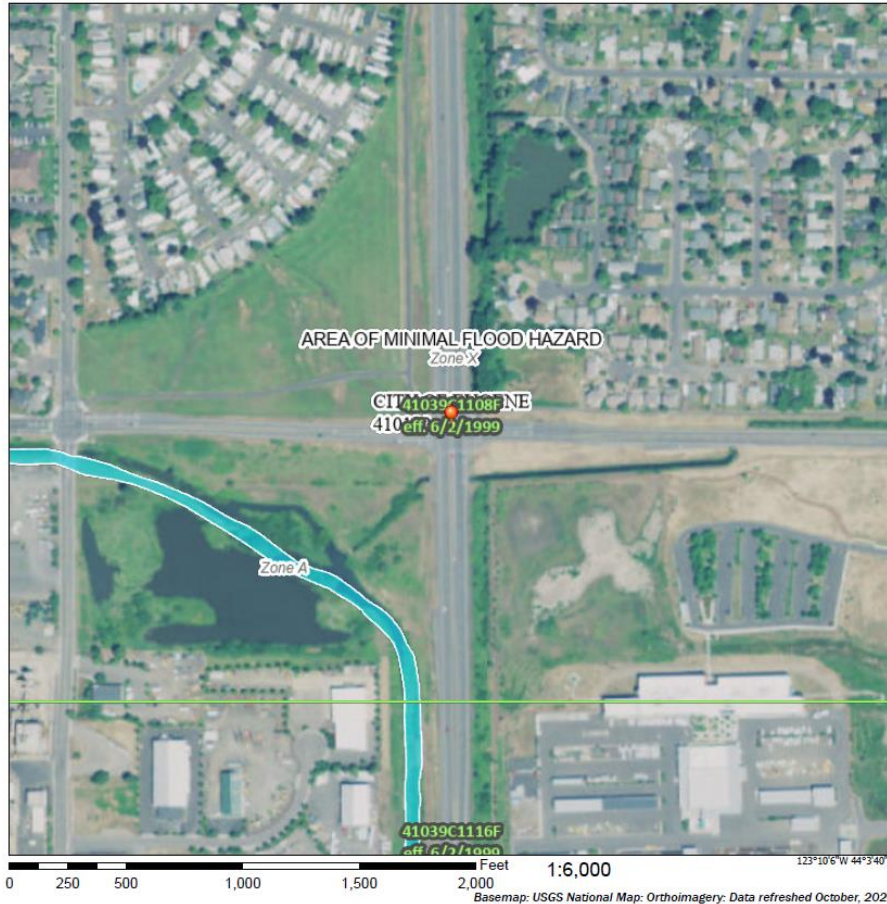
FLOOD MAP

Lane County

National Flood Hazard Layer FIRMette



123°10'44"W 44°4'6"N



Legend

SEE FIG REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE)
	Zone A, V, AE, AH, AR
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile
	Future Conditions 1% Annual Chance Flood Hazard
	Area with Reduced Flood Risk due to Levee. See Notes.
	Area with Flood Risk due to Levee
OTHER AREAS	NO SCREEN
	Area of Minimal Flood Hazard
	Effective LOMRs
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/2/2021 at 2:38 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Highest and Best Use

The term *Highest and Best Use* was previously defined, and the definition applies specifically to the highest and best use of land. In order to pass the test of highest and best use, a property use must be legally permissible, physically possible, and financially feasible or marketable. Therefore, in the measurement of highest and best use, the ability of the subject property to meet these criteria was analyzed.

Legal Considerations—The legal considerations primarily focus on the zoning of the subject site, which is R-1, Low Density residential. The zoning is intended to provide areas for low-density residential use. The R-1 zone is designed for one-family dwellings with some allowance for other types of dwellings, and is also intended to provide a limited range of non-residential uses that can enhance the quality of low-density residential areas. Although the legal considerations allow residential development, the use of the parcel is limited by its physical characteristics, as described in the following section.

Physical Considerations—The physical characteristics of the subject site were previously described in detail. The subject is a nearly rectangular-shaped parcel with frontage on the west side of Randy Papé Beltline Road. Roosevelt Boulevard also bisects the southern portion of the property into north and south sections. The topography of the site ranges from level to moderately upsloping to the east to the adjacent roadway on the north portion of the site. There is no legal vehicular access to the subject property. The subject has frontage on the north side of Roosevelt Boulevard and the west side of Randy Papé Beltline; however, there are no driveway approaches to the subject from the street frontage at the property lines. Access is not permitted from Beltline Road and would not be allowed from Roosevelt Boulevard, according to information from ODOT representatives. The lack of access to the property precludes development of the site with any building structures as a stand-alone parcel.

Given its legal and physical characteristics with no reasonable legal access, there is no identifiable economic use or an independent site value. There is no identifiable use of the subject parcel as an independent site and an independent site value cannot be determined. As such, the most likely use is for assemblage with an adjacent property. The subject parcel; however, has only one abutting site with which it could be assembled for an economic use, which is the adjacent 17.39-acre parcel of undeveloped land with Agricultural zoning and a comprehensive plan designation of Low Density Residential (Tax Lot 300). There are no other sites for which assemblage could occur (refer to plat map for a visualization. Without legal access to the subject, physical uses would be limited to providing a buffer area for the adjacent property from the freeway for continued agricultural use of the adjacent property, or a potential future residential use of the adjacent property. The R-1 zoning of the subject would also allow for placement of residential sign uses. Permitted sign types under the residential sign standards are limited to awning signs, digital signs, freestanding signs, reader boards and wall signs. These standards apply to both R-1 and AG zoning. One freestanding sign is allowed for non-residential purposes. Use for a permanent sign would likely necessitate a temporary access from the adjacent property, unless such sign could be installed from the pedestrian access path.

Economic Considerations—In this section, market conditions that influence the subject property are considered. The major factors requiring consideration are current and projected supply and demand for similar properties in the market.

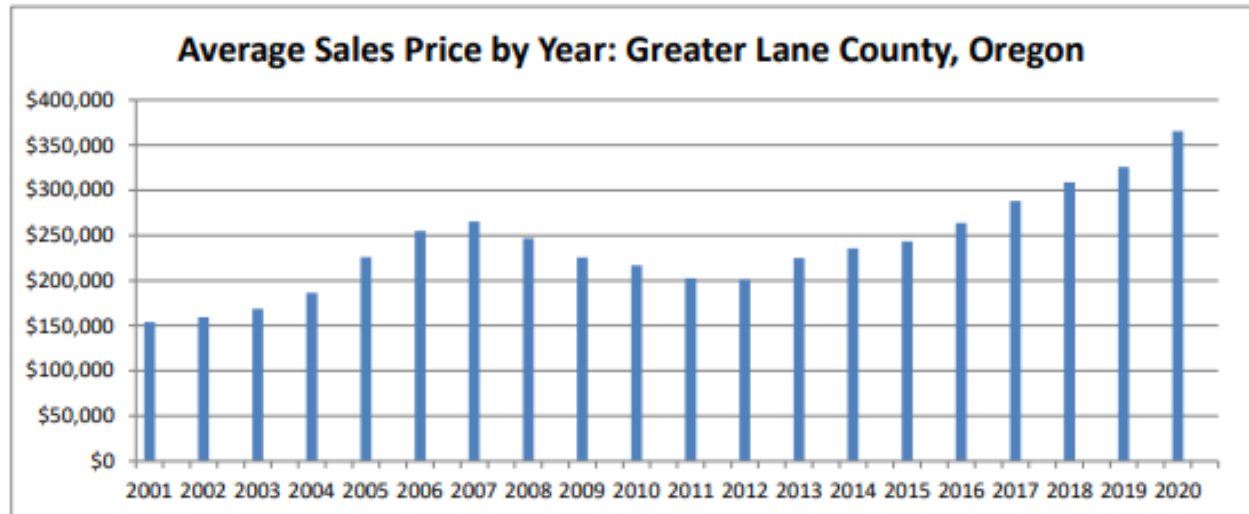
As a stand-alone parcel, the subject would have very limited demand, if any, in the general market as it has no greater stand-alone use than for a buffer area for the adjacent property from the freeway or for placement of residential signs. Given the legal and physical characteristics of the subject site, no other potential economic uses were identified. For appraisal purposes, an economic use must be identified. The legal and physical characteristics of the subject property suggest assemblage with the adjacent property to the west for a buffer area for the adjacent property from the freeway for continued agricultural use of the adjacent property, or a potential future residential use of the adjacent property. One non-residential sign is allowed under the zoning, which could be beneficial to a local business or for public signage use, both of which are considered speculative. Potential buyers of the subject would be very limited other than an adjacent owner who could assemble the site with the adjacent property; however, there is only one adjacent owner. Other potential buyers could be a nearby property owner who would want to control the site to prevent nuisances such as illegal camping or dumping of debris, or a buyer who would attempt to hold and resell the property to an adjacent owner for a profit. None of the scenarios for buyers other than the adjacent property owner are considered, since they speculative and unlikely to occur.

The subject parcel, however, provides utility for the abutting property to the west (Tax Lot 300). Assemblage of the subject property with the adjacent property would allow the adjacent owner to control the highway frontage area and to enclose the site to prevent any illegal uses. The additional site area would also allow for additional land area to be used for a future residential use or development of the adjacent parcel. The existing pedestrian path could be relocated further to the east to create more usable site area. Therefore, the subject has a greater value for assemblage with the adjacent property than as a stand-alone parcel. The subject site is not necessarily needed for the adjacent property to function on its own. The adjacent property is suitable for agricultural use and has frontage on Roosevelt Boulevard and N. Danebo Avenue, which each may allow a vehicular access point, most likely being from N. Danebo Avenue. As such, there are no adverse consequences to the adjacent property in terms of access from not assembling with the subject property.

In terms of highest and best of the adjacent site, the existing AG zoning provides utility for agricultural uses that would be allowed under the zoning. The adjacent property also has potential for future residential development given its comprehensive plan designation for low density residential use. The property; however, has several issues to overcome to be developed for residential use, such as completing a change of zoning to R-1, mitigation and filling the identified wetlands, obtaining a legal access from N. Danebo Road, which may require a traffic impact study, as well as the need for other potential environmental and engineering studies. Given these issues, the value of the assemblage parcel would be expected to be significantly less than the value of shovel-ready development sites, but also significantly higher than agricultural parcels with no potential for further development. The existing AG zoning also allows for one single-family residence per lot, which would also put upward pressure on the site value versus non-buildable parcels.

Given the demand for housing in the local market, the residential potential for the property will be considered in the analysis, with recognition of the property limitations.

The single-family market in Eugene has been strong over the last few years with favorable interest rates and limited inventory; home prices have steadily increased year after year. The average sale price of residential homes in Lane County declined significantly between 2008 and 2012 but began to rebound in 2013 and has since shown steady improvement and appreciation. There have been fluctuations in price each month, which is often due to outliers that cause more dramatic fluctuations month-to-month, as well as seasonal variations. However, overall, the trend has been an increase in average sale price.



Home inventory has been exceptionally low for the last 3+ years. In 2014, inventory throughout the year was generally 5± months. In 2015, the inventory declined substantially to closer to 3± months and has generally been below 3 months since 2016. The most recently reported inventory was 0.8 months in Lane County as a whole, based on active listings and sale trends. This suggests that demand for new homes is high, which has continually put upward pressure on home prices and downward pressure on marketing times. Favorable interest rates have also increased overall home affordability and demand in the market. Regarding the subject neighborhood specifically, the trends have followed a similar trajectory as indicated above.

Lot & Land Supply

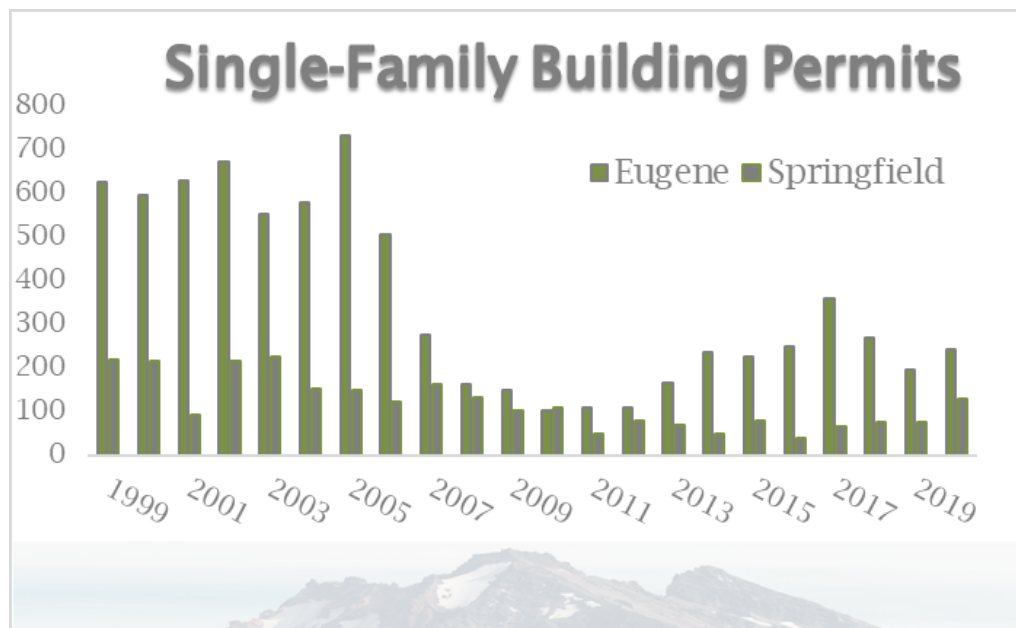
Another indicator of supply and demand is historic and current subdivision activity. The chart on the following page summarizes the subdivision approvals in the last 10+ years, with an evident increase in construction of new projects coming out of the last recession.

New Subdivisions – City of Eugene	
Year	Projects Approved
2009	7
2010	5
2011	2
2012	2
2013	7
2014	11
2015	10
2016	10
2017	11
2018	6
2019	9
2020	12

New subdivision development came to a standstill citywide between 2008 and 2011 due to the recession and oversupply of lots and homes in the area. The recent activity of approved projects in Eugene is an indication of market stabilization, as most of the existing inventory has been absorbed and there is demand for new lots in the area.

Market Demand

The following chart illustrates the extent of building activity in Eugene and Springfield by showing the number of single-family residential construction permits (excluding manufactured homes and duplexes) issued by year. The average construction over the last 10 years in Eugene has been well below the projected need at just over 200 newly constructed homes per year in the city of Eugene. The average for the prior 10 years was well above 500 homes per year.



Overall, demand for additional housing units has increased substantially in the local area, but construction costs have also increased and there is a limited supply of readily developable land in the market area, both of which have kept new construction well

below historic averages since the recession. As a result, existing new home inventory is at an all-time low and demand for homes and lots is strong.

Agricultural Land

Regarding economic considerations for agricultural-zoned properties, there appears to be a reasonable level of demand for agricultural and rural residential properties, as evidenced by the recent sale transactions of competing properties that have occurred in the market. A search of the local Multiple Listing Service provided data on the number of current listings and land sales larger than 10 acres in and around the greater Eugene-Springfield metropolitan area and Lane County. The initial search covered a period over the last 24 months. The data shows 24 active listings, with a range of listing prices of \$80,000 to \$990,000. There were 72 sales over the last 24 months, with a price range of \$40,000 to \$1,125,000. The second search covered the last 5 years showing a total of 179 sales, with a price range of \$40,000 to \$1,700,000. It is noted the data includes a variety of properties, of which, some are buildable with one or more home sites and others are not and suitable only for agricultural or recreational use.

Conclusion—Given the legal, physical and economic factors described above, the subject property does not provide utility for development as a stand-alone parcel with building structures given the lack vehicular access, as well as its long and narrow configuration and sloping topography areas, but does provide a benefit for assemblage with the adjacent property (Tax Lot 300). Assembling the subject property is not essential to the existing or potential uses of the adjacent property but would provide some benefit for the existing and potential future use of the adjacent property. Therefore, the highest and best use of the subject property is concluded to be for assemblage with the adjacent property for continuation of the existing agricultural use of the site, with recognition of the potential for future residential development.

Given the concluded highest and best use, the only potential buyer of the subject property is the owner of the adjacent property to the west. Therefore, a bilateral monopoly exists. A bilateral monopoly is “a market in which a single seller (a monopoly) is confronted with a single buyer (a monopsony). Under these circumstances, the theoretical determination of output and price will be uncertain and will be affected by the interdependence of the two parties.”¹⁰ Therefore, the value of the subject property becomes a question of contribution. The concept of contribution is that the value of a particular component is measured in terms of the amount it adds to the value of the whole property or as the amount that its absence would detract from the value of the whole. Within a contribution value, there is typically a minimum and maximum value of the parcel which represents a negotiating range. The true value or selling price becomes a matter of seller motivations to dispose of the property and buyer motivations to purchase the property. As such, the following valuation for the subject property will be based on an “Across the Fence” methodology with the concluded market value reflecting the contributory value of the surplus property to the adjacent property for assemblage. The full across the fence value will be adjusted by what is concluded to be the most appropriate market-derived discount to reflect any potential discount based on market activity data that could be commanded during negotiations as of the current date.

10 . Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago: Appraisal Institute, 2015).

Application of the Approaches to Value		
Cost Approach	Sales Comparison Approach	Income Capitalization Approach

The next portion of this appraisal process deals directly with the valuation of the property. The appraisal process that is applied to most real estate properties is designed to evaluate all factors that influence value. Regional and neighborhood information has been presented to inform the reader of general outside influences that may affect value. In addition, the subject property has been described in detail. The Highest and Best Use section has been provided to evaluate the effect of legal, physical, and market considerations that influence the use of the property.

The Cost Approach is based upon the principle that the value of the property is significantly related to its physical characteristics and that no one would pay more for a project than it would cost to build a like project in today's market on a comparable site. In this approach, the market value of the site is estimated and added to the estimated value of the improvements.

The Sales Comparison Approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of a similar property in the market. In active markets with a reasonable number of physically similar comparable sales, this approach is generally considered to be a good indicator of value.

The Income Approach is based on the premise that commercial properties are income-producing, and that investors purchase these properties based on their income-producing ability. In the Income Approach, market rent is established for the subject property, net operating income (NOI) is calculated by deducting typical operating expenses and a market-derived capitalization rate is applied in order to convert the estimate of NOI into value.

Valuation Process

The valuation of the subject property will be based upon an analysis of the "Across the Fence" value of the adjacent property. The full across the fence value will then be adjusted by what is concluded to be the most appropriate market-derived discount to reflect the contributory value of the subject property for assemblage with the adjacent property. The percentage discount is based on historical sales of properties purchased for assemblage and reflects the discount of full across the fence values that willing buyers and sellers agreed upon. The Sales Comparison Approach is the only applicable valuation method for the subject property. The Cost Approach and Income Capitalization Approach are not applicable in estimating the value of the property.

SALES COMPARISON APPROACH

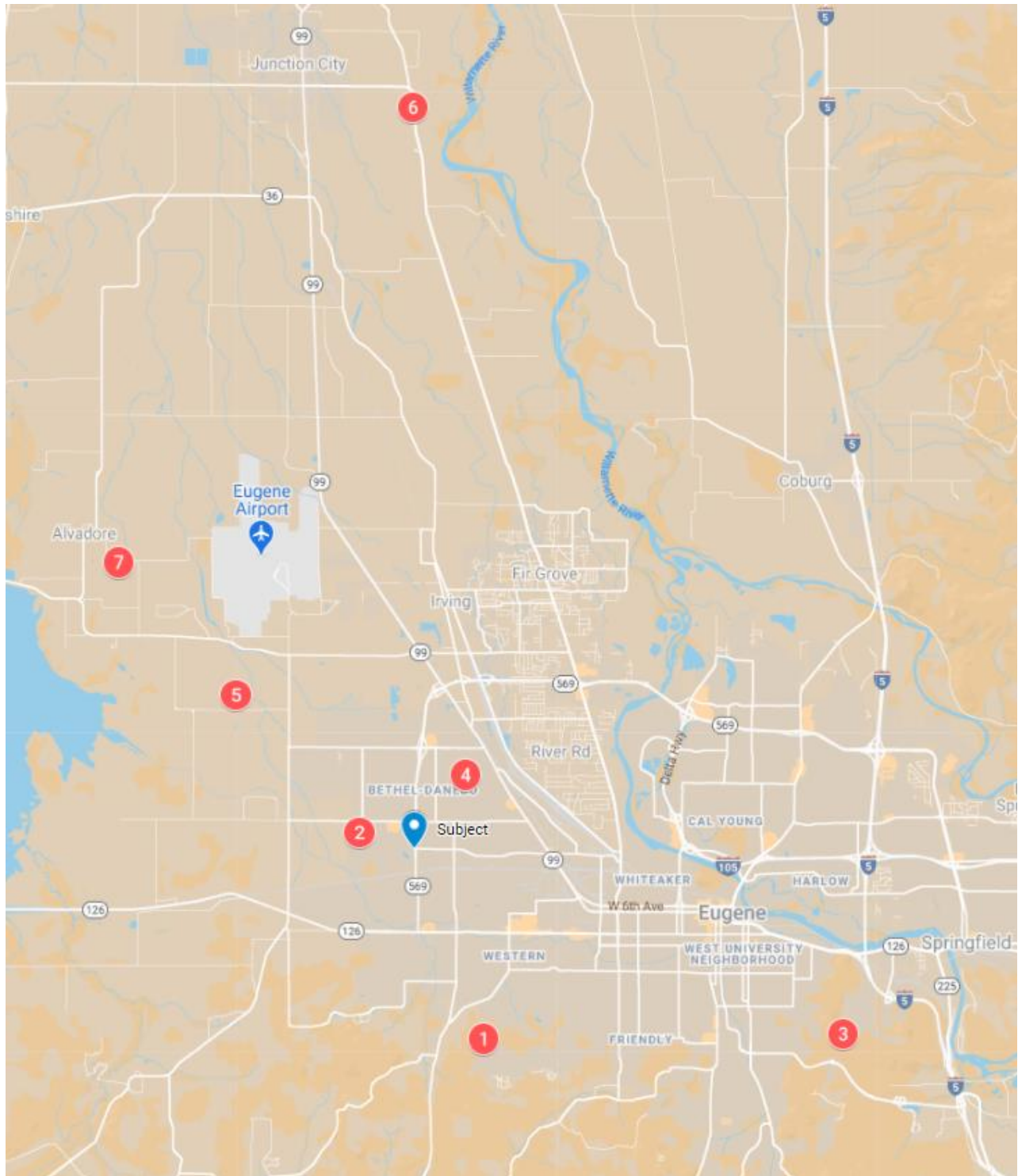
The Sales Comparison Approach is based on the principle that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. In active markets with a reasonable number of physically similar comparable sales, this approach is a good indicator of value. For analysis purposes, a common unit of comparison, which would be the most common method utilized by purchasers for the type of property being appraised, is established. The adjacent property is zoned AG, Agricultural with a comprehensive plan designation of Low Density Residential. Agricultural and residential development land of this size is typically valued on a per-acre basis, which will be utilized in this analysis.

An extensive search was made in the immediate area of the subject property for comparable sales that share similarities with the adjacent property, as well as the surrounding areas including the greater Eugene-Springfield metropolitan area. Given the characteristics of the subject property, a variety of sales were presented in the analysis. The sales included low density residential parcels within the Eugene city limits having a variety of levels of development potential, as well as sales of agricultural land with limited or no potential for further development and a sale of a rural parcel with approval for a single-family residence. These sales demonstrate a range of per-acre unit price reflecting the differing potential and appeal of each property for comparison with the assemblage property.

A qualitative analysis reflecting market behavior is utilized to determine which comparables are superior or inferior to the assemblage parcel. This analysis establishes value parameters for the site, allowing for a conclusion of the across the fence unit value. Consideration will be given to differences in location and market conditions, as well as typical physical characteristics and development potential of the sale properties in comparison to the assemblage parcel. The sales presented share similarities to the assemblage property on an overall basis and are considered to provide a reasonable comparison.

The sales are summarized on the following pages. Transaction details for each sale, including photographs and maps, are included. A sale location map is also provided.

LAND SALE COMPARABLE LOCATION MAP



Source: Google Maps

Land Sale Summary Chart

NO.	LOCATION	SALE DATE	SALE PRICE	LAND SIZE (ACRES)	ZONING	\$/ACRE	COMMENTS
Low Density Residential Development Parcels							
1	3240 S. Louis Ln. Eugene Map 18-04-03-00 Tax Lot 6600	9/20	\$775,000	9.47	R-1	\$81,837	Development land that has been annexed into the city. Includes an existing 2,998sf single family residence that was built in 1956. Utilities and access available. Asking price was reduced from \$2,000,000 to \$795,000. It was on the market for more than three years.
2	5220 Royal Ave. Eugene Map 17-04-29-11 Tax Lot 600	8/19	\$500,000	9.42	R-1	\$53,079	Proposed for development with 44 lots. There were 2 acres of wetlands on the site, of which, 0.5-acre were to be impacted by the development. Old house on site of no value that was to be demolished.
3	Floral Hill Eugene Map 18-03-04-43 Tax Lot 500	11/20	\$659,000	21.94	R-1/AG	\$30,036	Part R-1, Low Density Residential zoning and part AG, Agricultural zoning. The property provides utility for a single estate, or neighborhood park or resource preservation. Public utilities are available.
4	1601 Taney St. Eugene Map 17-04-22-24 Tax Lot 4603	2/20	\$380,000	3.06	R-1	\$124,183	Price negotiated with consideration that purchaser would complete lot line adjustment. 2017 option with an escalation clause to the current date.
Agricultural Land and Rural Home Site Land Sales							
5	Montieth Ln. Eugene Map 17-04-18-00 Tax Lot 2600	2/20	\$80,000	12.95	EFU-40	\$6,178	Level pasture that is fenced and gated. There are two accesses. Located in flood zone area. The property was listed at an asking price of \$125,000 and was on the market for approximately 6 months.
6	River Rd. Junction City Map 16-04-04-00 Tax Lot 2802	4/20	\$360,000	30.26	EFU-30	\$11,897	Farmland parcel with irrigation well. No home site. Soils are Class 1 (88%) and Class 2 (12%). Includes 3.5 acres of ancillary land. Partially in flood zone.
7	Bud Vaughn Rd. Eugene Map 17-05-02-40 Tax Lot 2300	12/19	\$235,000	5.91	RR5	\$39,763	Rural parcel that is buildable with one single-family residence. The topography is level and there is public electricity available. No water or sewer. The property was listed at an asking price of \$180,000 and was bid up to \$235,000.

SALE 1



Location: 3240 S. Louis Lane
Eugene, Lane County, Oregon

Assessor ID: Map 18-04-03-00-06600

Transaction—
Grantor: Ruby E. Vonderheit Revocable Trust
Grantee: Compeau Aram
Date: September 22, 2020
Recording: 2020-54310
Sale Price: \$775,000

Real Estate—
Land Area: 9.47 acres
Zoning: R-1, Low Density Residential

Unit of Comparison—
Price/Acre: \$81,837

Confirmation: Jim Prentice, broker, Re/Max Integrity, 541-912-3570

Property Description

Residential development land that was annexed into the city in 2016. The property includes an existing 2,998-square-foot single-family residence that was built in 1956. It was in poor condition and needed renovated. Water, electricity and access are available to the property at Summit terrace. The property was listed for sale at an asking price of \$2,000,000 which was reduced to \$795,000. It was on the market for more than three years. The buyer also owns an adjacent development site and was going to start the development process for both properties in the next couple of years.

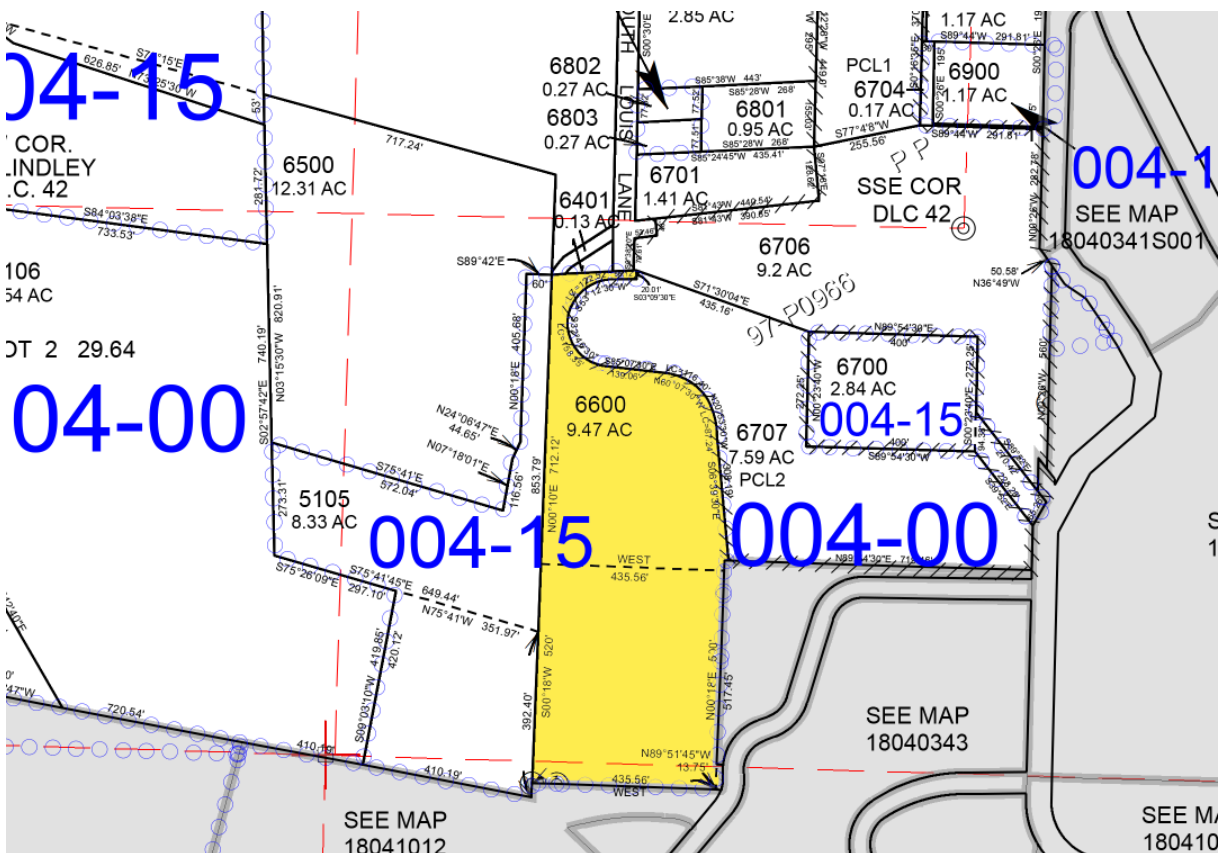
I consider this sale representative of the market. This sale is not a sale of a remainder property from a former right-of-way or other eminent domain taking.

Clint C. Becraft

Clint C. Becraft, MAI

3/5/2021

(Date Inspected)



SALE 2



Location: 5220 Royal Avenue
Eugene, Lane County, Oregon

Assessor ID: Map 17-04-29-11-00600

Transaction—
Grantor: Margerite A A Nelson Trust
Grantee: Corvallis Neighborhood Housing Services
Date: August 8, 2019
Recording: 2019-34761
Sale Price: \$500,000

Real Estate—
Land Area: 9.42 acres
Zoning: R-1, Low Density Residential

Unit of Comparison—
Price/Acre: \$53,079

Confirmation: Gloria Edwards, broker, Re/Max Integrity, 541-225-8809

SALE 3



Location: Floral Hill
Eugene, Lane County, Oregon

Assessor ID: Map 18-03-04-43-00500

Transaction—
Grantor: Jody Ruff Harcourt & Daphne Ruff
Grantee: Ronald H. and Pamela A. Swisher
Date: November 30, 2020
Recording: 2020-71051
Sale Price: \$659,000

Real Estate—
Land Area: 21.94 acres
Zoning: R-1, Low Density Residential and AG, Agricultural

Unit of Comparison—
Price/Acre: \$30,036

Confirmation: Michael O'Connell Jr., Re/Max Integrity, 541-953-0350

SALE 4



Location: 1601 Taney Street
Eugene, Lane County, Oregon

Assessor ID: Map 17-04-22-24, Tax Lot 4603

Transaction—
Grantor: Korean Presbyterian Church of Eugene
Grantee: Housing Authority & Community
Date: February 12, 2020
Recording: 2020-8620
Sale Price: \$380,000

Real Estate—
Land Area: 3.06 acres
Zoning: R-1, Low Density Residential

Unit of Comparison—
Price/Acre: \$124,183

Confirmation: Steve Ochs, Homes for Good, sochs@homesforgood.org.

SALE 5



Location:	Montieth Lane Eugene, Lane County, Oregon
Assessor ID:	Map 17-04-18-00, Tax Lot 2600
Transaction—	
<i>Grantor:</i>	Kenneth M. Larsen
<i>Grantee:</i>	Arellano Antonio Guterrez
<i>Date:</i>	February 10, 2020
<i>Recording:</i>	2020-7100
<i>Sale Price:</i>	\$80,000
Real Estate—	
<i>Land Area:</i>	12.95 acres
<i>Zoning:</i>	Exclusive Farm Use (40-acre minimum parcel size)
Unit of Comparison—	
<i>Price/Acre:</i>	\$6,178
Confirmation:	Stacey Freitas, broker, John L. Scott Real Estate, 541-688-5400

Property Description

The property is a level pasture with EFU-40 zoning. It is fenced and gated. There are two accesses. Private setting on a private road. It is located in flood zone area. The property was listed at an asking price of \$125,000 which was reduced to \$99,900 and was on the market for approximately 6 months.

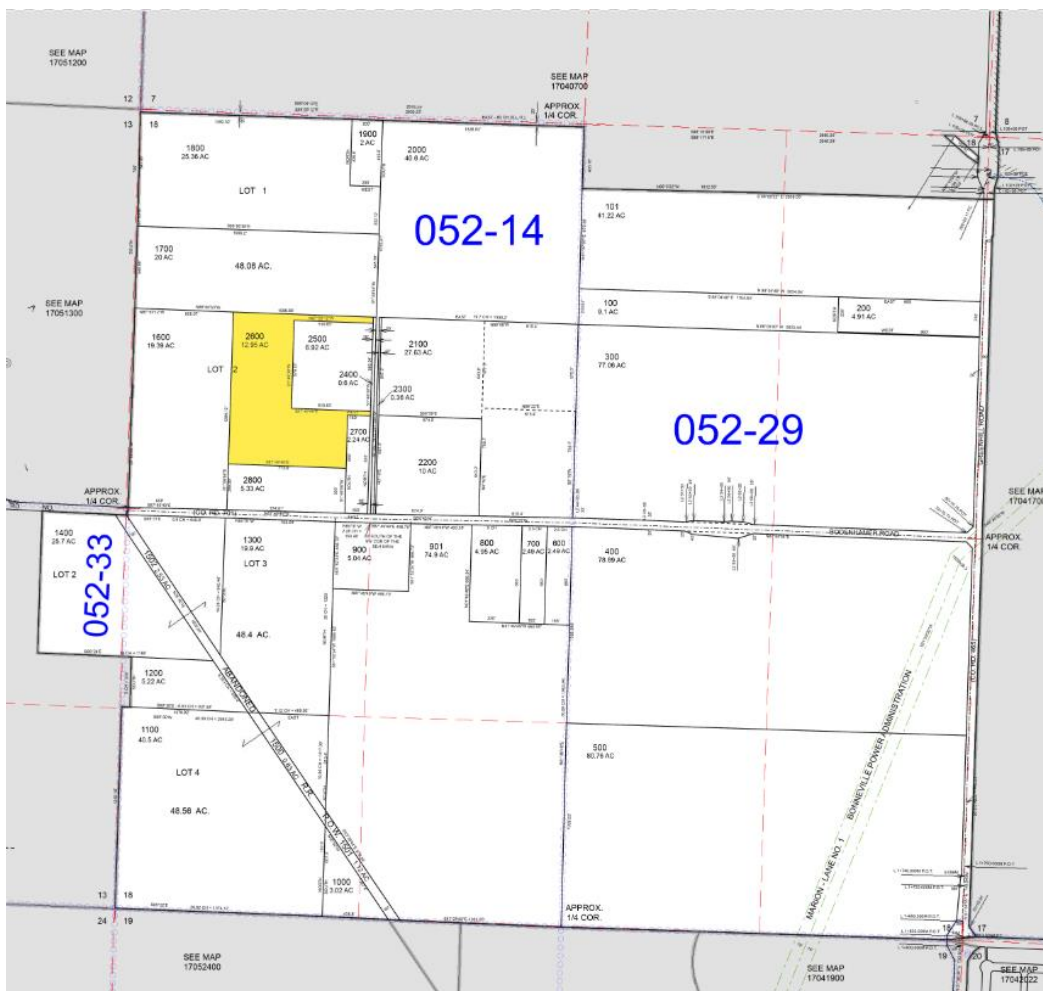
I consider this sale representative of the market. This sale is not a sale of a remainder property from a former right-of-way or other eminent domain taking.



Clint C. Becraft, MAI

3/55/2021

(Date Inspected)



SALE 6



Location: River Road
Junction City, Lane County, Oregon

Assessor ID: Map 16-04-04-00, Tax Lot 2802

Transaction—
Grantor: Robert D. and Annette E. Yell
Grantee: Michael J. and Linda D. Evans
Date: April 4, 2020
Recording: 2020-17162
Sale Price: \$360,000

Real Estate—
Land Area: 30.26 acres
Zoning: E-30, Exclusive Farm Use

Unit of Comparison—
Price/Acre: \$11,897

Confirmation: Joe Ward, broker, Joe Ward Properties, 541-912-0934

Property Description

Farmland parcel located on River Road near Junction City. The property is irrigated via a well and is composed of high quality, Class I soils. The property is irregular in shape and has frontage on River Road. It has been leased to a local farmer for \$110 per acre, per year. There is approximately 3.5 acres of ancillary land located in the middle and north end of the parcel. The property was listed for sale at an asking price of \$350,000 and was on the market for approximately one month.

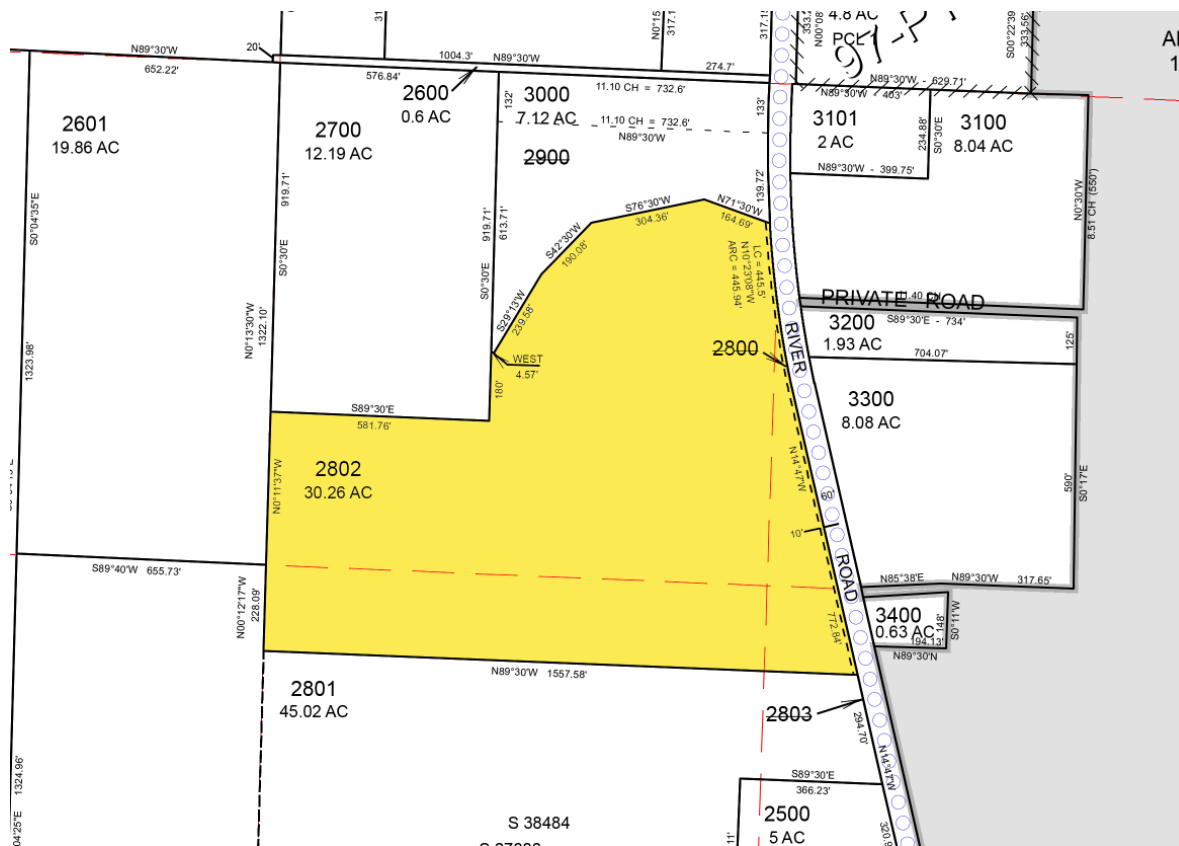
I consider this sale representative of the market. This sale is not a sale of a remainder property from a former right-of-way or other eminent domain taking.

Clint C. Becraft

Clint C. Becraft, MAI

3/5/2021

(Date Inspected)



SALE 7



Location: Bud Vaughan Road
Junction City, Lane County, Oregon

Assessor ID: Map 17-05-02-40, Tax Lot 2300

Transaction—
Grantor: Richard L. and Carolyn M. Snider
Grantee: Steven L. and Paula J. Sassano
Date: December 18, 2019
Recording: 2020-550
Sale Price: \$235,000

Real Estate—
Land Area: 5.91 acres
Zoning: RR5, Rural Residential

Unit of Comparison—
Price/Acre: \$39,763

Confirmation: Cheryl Chambers, broker, Hybrid Real Estate, 541-689-4621

Property Description

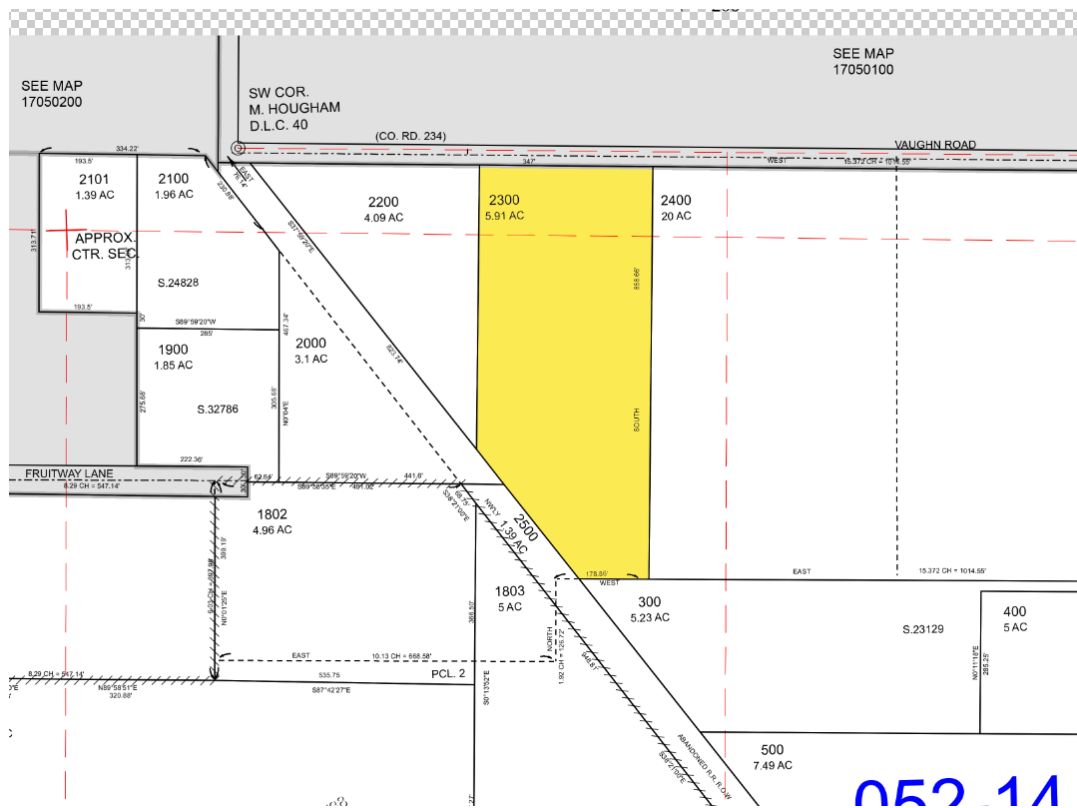
Sale of a rural residential parcel that is buildable with one single-family residence. The topography is level and the site is composed of pasture land. The soils are good quality with 95% of the parcel being Class 2 soils. There is public electricity available to the site. There is a driveway from the street and the perimeter is partially fenced.

I consider this sale representative of the market. This sale is not a sale of a remainder property from a former right-of-way or other eminent domain taking.

Clint C. Becraft

Clint C. Becraft, MAI

3/5/2021
(Date Inspected)



Sale Discussion and Across the Fence Unit Value Conclusion

A comparable sale adjustment grid is provided on the following page. The physical characteristics of the adjacent assemblage parcel are summarized in the chart. Qualitative analysis reflecting market behavior is utilized to determine which comparables are superior or inferior to the adjacent parcel. Analysis of the location and other physical similarities and differences between the items of market data and the subject establishes value parameters for the subject property, allowing for a conclusion of the across the fence per-acre unit value.

Sales Comparison Approach

LAND SALES ADJUSTMENT GRID								
	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6	SALE 7
Sale Price	Abutting Property (Tax Lot 300)	\$775,000	\$500,000	\$659,000	\$380,000	\$80,000	\$360,000	\$235,000
Market Conditions	Current	9/20	8/19	11/20	2/20	2/20	4/20	12/19
comparison to subject		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Location/Access	Eugene (Danebo)	Eugene (Southwest)	Eugene (Danebo)	Eugene (East)	Eugene (Danebo)	Eugene (rural)	Junction City (rural)	Junction City (rural)
comparison to subject		Sl. Superior	Similar	Sl. Superior	Similar	Inferior	Inferior	Inferior
Topography/Shape/Utility	Mostly Level Irregular; bisected by road	Sloping/wooded Irregular	Level Slightly Irregular	Sloping/wooded Irregular	Level Panhandle	Level Irregular	Level Irregular	Level Slightly Irregular
comparison to subject		Similar	Superior	Similar	Superior	Superior	Superior	Superior
Site Size (Acres)	15.04 (usable)	9.47	9.42	21.94	3.06	12.95	30.26	5.91
comparison to subject		Sl. Superior	Sl. Superior	Inferior	Superior	Similar	Inferior	Superior
Wetlands /Riparian	1.03 acres	None	2.0 acres	None	0.12 acre	None	3.5 acres	None
comparison to subject		Superior	Inferior	Superior	Superior	Superior	Inferior	Superior
Site Improvements	None	2,998sf single- family residence	Old residence of no value	None	None	None	None	None
comparison to subject		Superior	Similar	Similar	Similar	Similar	Similar	Similar
Zoning/ Development Potential	AG zoning with LDR comp plan within Eugene city limits	R-1 zoning within Eugene city limits	R-1 zoning within Eugene city limits	Split-zoned R-1 and AG within Eugene city limits	R-1 zoning within Eugene city limits	EFU zoning located in a rural area. Not buildable.	EFU zoning located in a rural area. Not buildable.	RR5 zoning in a rural area. One single-family residence allowed
comparison to subject		Superior	Superior	Inferior	Superior	Very Inferior	Very Inferior	Inferior
Sale Price/Acre		\$81,837	\$53,079	\$30,036	\$124,183	\$6,178	\$11,897	\$39,763
Unit Value Conclusion		High Indicator	Slightly High Indicator	Low Indicator	Very High Indicator	Very Low Indicator	Very Low Indicator	Reasonable Indicator

Summary and Conclusion—The land sales indicate a range of value from \$6,178 per acre for an unbuildable rural agricultural parcel to \$124,183 per acre for a much smaller, low density residential parcel located within the city limits of Eugene. The wide range of unit prices reflect the differing development potentials of the comparable properties, as well as other physical and locational characteristics.

The sales presented occurred between August 2019 and November 2020. Sales 1 and 3 are very recent, occurred after the beginning of the COVID-19 pandemic and are similar in terms of market conditions. Sales 2 and 7 occurred in late 2019 when market prices were appreciating into the beginning of 2020 and prior to the pandemic, which is offset by the market softening after the pandemic took hold. Sales 4, 5 and 6 occurred in early 2020 at the time of the beginning of the pandemic. Given the market activity over the past year with an initial level of uncertainty and market softening from the pandemic and more recent market participant confidence, Sales 4, 5 and 6 are considered to be similar in market conditions as of the current date.

Sales 1 and 2 are slightly superior to superior in location as compared to the abutting property given the overall appeal of their immediate locations. Sales 5, 6 and 7 are inferior in terms of their rural locations. Sales 2, 4, 5, 6 and 7 are superior in terms of topography, parcel shape and utility, as compared to the abutting property, which is bisected by a roadway and has some slightly low wetland/riparian area. Sales 1 and 3 are considered similar overall with offsetting characteristics, as the sales are sloping with wooded areas.

In terms of site size, the identification of the comparable properties as superior to the abutting property is based on the premise that smaller sites typically sell for a higher price per square foot than larger sites, all else being equal, (and larger sites typically sell for a lower price per square foot than smaller sites, all else being equal), rather than being an indicator of physical superiority or inferiority.

Sales 2 and 6 are inferior in terms of having a greater amount of wetland and/or riparian land areas. Sales 1, 3, 4, 5 and 7 are superior in terms of the lack of wetland areas on these parcels. Sale 1 is also adjusted downward for site improvements, as there was an existing single-family residence on the site that was indicated to have contributed some value to the property, although it was in need of renovation.

In terms of zoning and development potential, Sales 1, 2 and 4 are superior to the abutting property given their existing R-1 zoning designations. Sale 3 is inferior in terms of development potential as there would need to be a zoning change for the AG portion of the site to fully develop the property. This was considered unlikely for the sale property due to its location and most likely a high level of neighborhood opposition to further development of the property, which was reflected in the selling price. Sales 5 and 6 are very inferior as they are unbuildable rural parcels. Sale 7 is inferior in development potential as it is limited to development with one residence.

Overall, the appropriate unit value for the adjacent parcel should fall far below the indication of Sale 4 at \$124,183 per acre, below Sale 1 at \$81,837 per acre, slightly below Sale 2 at \$53,079 per acre, far above Sales 5 and 6 at \$6,178 and \$11,897 per acre, above Sale 3 at \$30,036 per acre and near Sale 7 at \$39,763 per acre, in the range of \$40,000 to \$50,000 per acre. Sales 2 and 3 are given the most weight in the value conclusion as they are considered to be the most similar to the abutting property. Overall, with consideration given to the physical and locational characteristics as compared to the sales presented, including location, access, topography, parcel shape, utility, size, wetland/riparian areas, site improvements, available utilities, zoning, comprehensive




plan designation and perceived development potential, the unit value for the adjacent assemblage parcel, and the across the fence value to apply to the abutting property, is concluded to be **\$45,000** per acre.

Subject Property Assemblage Value Conclusion

In determining the appropriate assemblage value of the subject property, an extensive search was made in the local market and other market areas for sales of parcels that were purchased by adjacent property owners for assemblage purposes. Given the limited number of transactions that were found in the greater Eugene-Springfield market area, it was necessary to utilize a sale in another market area that the appraiser is familiar with, as well as a pending sale and a sale offering in the immediate market area.




The sale properties represent differing property types with differing parcel sizes and per-square-foot property values. The sales are not directly comparable to the subject based on physical and locational considerations and are not used to determine an appropriate price per square foot for the subject, but do provide an indication of the percentage of discount from full across the fence values that willing buyers and sellers agreed upon. Five of the six sales are similar in terms of having only one adjacent buyer who made a purchase of the property. One sale (Sale 6) was purchased for an assemblage use by a nearby owner, but there were other adjacent properties that this site could have been assembled with. As such, it shows there was no discount in price for assemblage of Sale 6. The percentage of discount indicated for Sales 1 through 5 are based on the unit price of each sale and the full across the fence unit value of the adjacent property. The latter value estimates are based on an analysis of comparable market data with similar characteristics to each sale parcel, as well as estimated values from the tax assessment rolls in the respective counties and input from buyers and sellers when available. The percentage range of discounts is representative of the various levels of utility that the assemblage sale properties provided to the adjacent properties.

ASSEMBLAGE LAND SALES SUMMARY CHART

NO.	COMMENTS	LOCATION/ADDRESS	SALE PRICE DATE	SITE SIZE	ZONING	PRICE/ SQ. FT.	DISCOUNT
1		Springfield Map 17-03-35-32-06101	\$21,600* <i>Pending</i> (2020)	2,391 sf (0.05 acre)	MUC	\$9.03	50%
2		Eugene Map 17-04-35-20-02200 Deed No.: 2015-045848	\$3,500 (9/15)	3,580 sf (0.08 acre)	I-2	\$0.98	75%
3		Springfield 18-02-04-11-05500 Deed No.: 2015-44929	\$25,213 (9/15)	19,602 sf (0.45 acre)	LD	\$1.29	40%-60% (est.)

*Sale price adjusted.

ASSEMBLAGE LAND SALES SUMMARY CHART

NO.	COMMENTS	LOCATION/ADDRESS	SALE PRICE DATE	SITE SIZE	ZONING	PRICE/ SQ. FT.	DISCOUNT
4		Springfield 3 rd St. & S. A St. Map 17-03-35-31 (untaxlotted)	2018 (offer and counteroffer)	1,950 sf (0.045 acre) (approx..)	None	\$15.00 (offer by seller) \$3.00 (counteroff er by buyer)	80%
5		Ashland Map 38-1E-32-05800 Deed No.: 2019-1356	\$120,000 (1/19)	13,631 sf (0.31 acre)	GC	\$8.80	25%
6		3663 Gateway St. Springfield Map 17-03-15-32-01000 Map 17-03-15-33-01800 Deed No.: 2017-017714	\$1,117,523 (4/17)	67,082 sf (1.54 acres)	CC	\$16.66	0%

Sale 1 is the sale of a remnant parcel from a former right-of-way that was sold to the adjacent property owner. The parcel was not developable as a stand-alone site due to the small size and configuration. There was only one adjacent property owner. The buyer wanted to assemble the parcel with his adjacent ownership to control its use and add as landscaped yard area to his existing adjacent property. The sale terms required the buyer to complete concrete work at his own cost to remove the existing driveway approach and replace the approach with a sidewalk, curb and gutter to meet city construction standards. The pending sale price is \$3,900 which is adjusted upward \$17,700 to \$21,600 to reflect the necessary expenditures by the buyer as part of the conditions of the sale. The sale represents a 50% discount from the across the fence land value. The sale is pending until completion of a lot line adjustment.

Sale 2 is a remnant parcel from a former right-of-way that was sold to the adjacent property owner. The parcel was not developable as a stand-alone site due to the small size and configuration. There was only one adjacent property owner. The parcel had very limited utility for the adjacent parcel other than to add setback area to the corner of the adjacent site. The sale represents a 75% discount from the across the fence land value due to its limited utility.

Sale 3 is a sale of a residential zoned remnant parcel that appears to have very limited development potential due to its size and configuration with a narrow shape and narrow pan-handle access. The property was purchased by an adjacent property owner. The abutting property was developed with a single-family residence. The sale parcel adds utility to the adjacent property for additional yard area. The buyer could not be reached for confirmation of the sale and there was very limited information available from the seller. The percentage discount is estimated as a range based on information available to the appraiser.

Sale 4 represents an offer and counteroffer to purchase a right-of-way strip that was formerly used for railroad tracks. The adjacent buyer owns a restaurant property and approached the railroad owner to purchase the strip. The buyer wanted to use the site for additional outdoor seating area for the restaurant. The seller was willing to sell the strip but asked for a value of \$15.00 per square foot. The buyer was willing to pay approximately \$3.00 per square foot as they are the only adjacent property owner that could use the site. The offerings by the buyer and seller represent an 80% discount. The sale, however, did not occur at this price, which suggests this discount was too steep for a property that provided utility to the adjacent property owner.

Sale 5 is a sale of a commercial parcel that was undevelopable due to not being created as a legal parcel. The site was improved with asphalt paving and had been leased to the adjacent property owner for use as parking area. Although not legally developable on its own as a stand-alone parcel, the sale property provided utility to the adjacent property for parking area as the adjacent site did not have adequate parking area for the existing use as an auto body shop. The sale price indicates a discount of 25% from the full across the fence value.

Sale 6 is a sale of two adjacent tax lots with a combined area of 1.54 acres and commercial zoning. All utilities are available to the site and it was developable as a stand-alone site. The buyer owns an office building across the street and purchased this property for additional parking area. Although purchased for assemblage, but there were other adjacent properties that this site could have been assembled with such as an adjacent hotel and a self-storage property. As such, it shows there was no discount in price due to assemblage.

Conclusion—In the case of the subject property, each party (potential buyer – adjacent property owner, potential seller – subject property owner) has the potential to have the monopolistic advantage depending on the motivations of each party. For example, if the adjacent property owner wishes to develop their property in the immediate future, the seller would have the monopolistic advantage as the property owner would be highly motivated to acquire the subject to move forward with development. In that case, a higher contributory value could likely be achieved. However, if the adjacent property owner wishes to hold the property in its existing use, or for future development and has no immediate or contemplated plans for development, the potential buyer holds the monopolistic advantage, particularly if the seller is motivated to sell.

The sales, pending sale and sale offering demonstrate a range of discounted values from 0% to 80% of full across the fence value. **Sale 1** at a 50% discount is a slightly low indicator of an appropriate discount for the subject as the sale property provided a higher level of utility and benefit to the adjacent property. **Sale 2** at a 75% discount is a slightly high indicator of discount for the subject as the sale property had a very limited benefit to the adjacent property other than to add setback area to the corner of the site. **Sale 6** was purchased for an assemblage use and is presented to demonstrate the lack of an assemblage discount when there is a parcel that could be developed as a stand-alone parcel, and where there were multiple potential buyers. **Sale 3** at an estimated range of 40-60% represents a sale that provided usable yard area to an adjacent residential property, but the yard area is not developable. The sale has a superior potential for use to its adjacent property than the subject and is considered a low to slightly low indicator for the subject. The **Sale 4** offering is utilized a secondary supporting information. The Sale 4 remnant parcel would provide usable area to the adjacent property, but the 80% discount appears to have been too steep to consummate a sale. This is a high indicator

of discount for the subject. **Sale 5** provides a superior level of utility to its adjacent property, which was in need of additional parking and driveway area to effectively operate an improved property. There was also a more immediate need for the additional parking area for the existing building as compared to the subject site where the motivation to acquire the property would be influenced more by the future development of the combined property. Thus, the 25% discount indicated by Sale 5 is considered to be a low indicator of a discount to apply to the subject property. Therefore, the appropriate discount for the subject should fall well above Sale 5 at 25%, below the Sale 4 offering at 80%, above to slightly above Sale 3 at a range of 40-60%, above Sale 1 at 50% and slightly below Sale 2 at 75%.

Based on the market data presented and consideration of the physical characteristics of the subject property, **a discount of 65% of the across the fence value** is concluded for the subject property. The full across the fence value for the subject equates to \$96,750 (2.15 usable acres x \$45,000/acre). Applying a 65% discount to the across the fence value equates to a market assemblage value of \$33,863 (\$96,750 x 0.35), rounded to **\$35,000**. This concluded value represents the subject's land value for assemblage with the adjacent property.

Exposure Time

Exposure time is defined as, "The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."¹¹ Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Based on the available market information, it is concluded that the exposure time for the subject parcel would be less than 2 years.

11. Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Ed. (Chicago, Appraisal Institute, 2015)

ADDENDA



ASUMPTIONS AND LIMITING CONDITIONS
CERTIFICATIONS
PRELIMINARY TITLE REPORT
APPRAISER'S QUALIFICATIONS



Extraordinary Assumptions

1. The sizes of the subject site and the adjacent property are based on information available from county records, available maps, GPS technology and online measuring tools on the Regional Land Information Database (RLID). There has been no survey provided to the appraiser indicating the size of the allocated areas of the sites as determined by the appraiser. This appraisal report is based on an extraordinary assumption that the estimated sizes are accurate. The application of this extraordinary assumption may affect the assignment results.
2. There are two public utility easements noted in the preliminary title report provided. Exception 10 references an easement for a pipeline in favor of Bethel Water District. Exception 11 references an easement for a gas pipeline in favor of Northwest Natural Gas Company. A copy of the facilities map was provided by the subject property owner representative, which shows the easement areas crossing the southern portion of the site to the south of Roosevelt Boulevard. The representative of the client, the Oregon Department of Transportation (ODOT), and the representative of the property owner from the Eugene Water and Electric Board (EWEB), indicated that an "X" Permit agreement will be negotiated for continued use and maintenance of the easement areas upon a proposed transfer of ownership of the subject property from EWEB to ODOT. This appraisal report is based on an extraordinary assumption that an "X" Permit agreement for the existing utilities will be in place upon closing of a sale of the property. The application of this extraordinary assumption may affect the assignment results.
3. It is noted that there is a public pedestrian and bike path encroachment crossing east to west over the southern portion of the subject site to the intersection of Beltline Road and Roosevelt Boulevard. The path continues on the adjacent property to the west and runs west to N. Danebo Avenue and also runs to the north on the abutting property adjacent to the subject west property line. There are no known easement documents for the public path listed in the preliminary title report. Inquiries were also made to the property owner representative, as well as representative from the Oregon Department of Transportation, but no additional easement information was provided. Given that there are no known easement documents defining the area of the path, this appraisal report is based on an extraordinary assumption that the path could be relocated on the site, if so desired, as to not adversely affect the highest and best use of the properties due to its existing location. The application of this extraordinary assumption may affect the assignment results.
4. The parcel adjacent to the subject includes areas designated as wetland in the Eugene Local Wetlands Inventory. The information in this report regarding wetlands was taken from the local inventory. There have been no other wetland studies or delineations provided or available to the appraiser. This appraisal report is based on an extraordinary assumption that the size of the wetland areas indicated in the local wetlands inventory are accurate. The application of this extraordinary assumption may affect the assignment results.
5. The highest and best use of the subject has been determined to be for assemblage with the adjacent parcel to the west, as such, consideration is given to the highest and best use and development potential of the adjacent assemblage property. The

appraiser has made reasonable effort in the normal course of business to determine the appropriate risk factors and any restrictions associated with future changes in the use or development of the adjacent land. The value conclusion herein takes into consider the market perceived risk associated with the legally permitted uses and potential land uses. However, this appraisal report is based on an extraordinary assumption that there are no *significant and unforeseen* development impediments that would inhibit the use of the property under its highest and best use. The application of this extraordinary assumption may impact the assignment results.

General Assumptions & Limiting Conditions

This Appraisal Report complies with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, information and discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value are specific to the needs of the client and for the intended use stated in this report. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The appraiser is not responsible for unauthorized use of this report.

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The appraiser reserves the right to make alterations to the analyses, opinions, and conclusions set forth in the appraisal report as may be necessary due to consideration of additional or more reliable data that may become available.

Title to the property is assumed good and marketable unless otherwise stated in this report. No responsibility is assumed for the legal description or for such matters including legal or title considerations. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report. It is assumed the utilization of the land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Any separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

Responsible ownership and competent property management are assumed unless otherwise stated in this report. It is assumed there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

Compliance with all applicable zoning and use regulations and restrictions is assumed unless a nonconforming use has been stated, defined and considered in the appraisal report.

Assumptions and Limiting Conditions

It is assumed there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that may suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea- formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and comments are the result of the routine observations made during the appraisal process.

Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature and would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser whose signature appears on the appraisal report. No change of any item in the report shall be made by anyone other than the Appraiser. The appraiser shall have no responsibility if any such unauthorized changes are made. The appraiser may not divulge confidential information in the report, such as, analytical findings or conclusions, or give a copy of the report to anyone other than the client, except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

The appraiser and client agree the liability of Viewpoint Appraisal, LLC is limited to the client only and only up to the amount of the fee actually received for the assignment in consideration of the nature of appraiser's services provided. Further, there is no liability, obligation, or accountability to any third party. If this report is provided to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety. Neither all nor any part of the

Assumptions and Limiting Conditions

contents of this report, including any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected, shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question because of this appraisal, unless arrangements have been previously made. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.



CERTIFICATE of APPRAISER

I hereby certify: that on *February 23, 2021, I personally made a field inspection of the property herein appraised. I also inspected any comparable sales relied upon in making this appraisal. The subject and comparable sales relied upon in making the appraisal were as represented in this appraisal report.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based is correct; subject to the limiting conditions herein set forth.

That such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of property for such purposes.

That neither my employment nor my compensation for making this appraisal is in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such appraised property.

That I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the Oregon Department of Transportation and that I will not reveal the findings and results of this appraisal to anyone until so authorized by said State officials, or until I am required to do so by due process of law.

That my opinion of market value of the property is based upon my independent appraisal and the exercise of my professional judgment. The conclusion(s) set forth in this appraisal were reached without collaboration or direction as to value as of **February 23, 2021 and are indicated below:

\$35,000 Assemblage Value.

(Signature) Clint C. Becraft

4/5/2021
(Date)

(Bus Phone) 541-515-1536

- * Date(s) subject was inspected
- ** Date of Valuation



I, Clint C. Becraft, MAI, do hereby certify that:

- 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 my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Clint C. Becraft, MAI made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- Clint C. Becraft, MAI has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- 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, Clint C. Becraft, MAI has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

Clint C. Becraft, MAI

Certification No. C000856
Expiration 4/30/22



First American

First American Title Insurance Company

2892 Crescent Avenue
Eugene, OR 97408-7397
Phn - (541)484-2900
Fax - (877)783-9167

FOR ALL QUESTIONS REGARDING THIS PRELIMINARY REPORT, PLEASE CONTACT:

Lacey Teague, Title Officer

Phone: (541)484-2900 - Fax: (877)783-9167 - Email: lteague@firstam.com

Jutta Martin
455 Airport Road Southeast , Building A
Salem, OR 97301

Order No.: 7199-3228913
April 30, 2019

Phone No.: (503)986-2601 - Fax No.: (503)986-2622
Email: jutta.martin@odot.state.or.us

Preliminary Title Report

2006 ALTA Owners Standard Coverage	Liability \$	Premium \$	
2006 ALTA Owners Extended Coverage	Liability \$	Premium \$	
2006 ALTA Lenders Standard Coverage	Liability \$	Premium \$	
2006 ALTA Lenders Extended Coverage	Liability \$	Premium \$	
Endorsement 9.10, 22 & 8.1		Premium \$	
Govt Service Charge		Cost \$	
Other Title Search Only		Cost \$	200.00

We are prepared to issue Title Insurance Policy or Policies of First American Title Insurance Company, a Nebraska Corporation in the form and amount shown above, insuring title to the following described land:

The land referred to in this report is described in Exhibit A attached hereto.

and as of April 12, 2019 at 8:00 a.m., title to the fee simple estate is vested in:

City of Eugene, a municipal corporation, for the use and benefit of the Eugene Water & Electric Board

Subject to the exceptions, exclusions, and stipulations which are ordinarily part of such Policy form and the following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

The exceptions to coverage 1-5 inclusive as set forth above will remain on any subsequently issued Standard Coverage Title Insurance Policy.

In order to remove these exceptions to coverage in the issuance of an Extended Coverage Policy the following items are required to be furnished to the Company; additional exceptions to coverage may be added upon review of such information:

- A. Survey or alternative acceptable to the company
 - B. Affidavit regarding possession
 - C. Proof that there is no new construction or remodeling of any improvement located on the premises. In the event of new construction or remodeling the following is required:
 - i. Satisfactory evidence that no construction liens will be filed; or
 - ii. Adequate security to protect against actual or potential construction liens;
 - iii. Payment of additional premiums as required by the Industry Rate Filing approved by the Insurance Division of the State of Oregon
6. Water rights, claims to water or title to water, whether or not such rights are a matter of public record.
 7. Subject property is under public ownership and is tax exempt. Any change in ownership before delivery of assessment roll may result in tax liability. Account No. 0460012.
 8. City liens, if any, of the City of Eugene.
- Note: There are no liens as of April 12, 2019. All outstanding utility and user fees are not liens and therefore are excluded from coverage.
9. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.
 10. Easement, including terms and provisions contained therein:
Recording Information: September 27, 1960, Reception No. 11243
In Favor of: Bethel Water District
For: pipe line
 11. Easement, including terms and provisions contained therein:
Recording Information: September 19, 1961, Reception No. 44344
In Favor of: Northwest Natural Gas Company, a corporation of the State of Oregon
For: gas pipeline

- END OF EXCEPTIONS -

NOTE: We find no matters of public record against TBD that will take priority over any trust deed, mortgage or other security instrument given to purchase the subject real property as established by ORS 18.165.

NOTE: Sales List enclosed

NOTE: Copy of vesting deed enclosed

NOTE: We find no vacated roads, streets or alleys adjacent or within said premises.

NOTE: According to the public record, the following deed(s) affecting the property herein described have been recorded within 24 months of the effective date of this report: NONE

NOTE: We find no outstanding voluntary liens of record affecting subject property. An inquiry should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any security interest in the subject property.

Situs Address as disclosed on Lane County Tax Roll:

Map & Tax Lot 17-04-28-10-00100

THANK YOU FOR CHOOSING FIRST AMERICAN TITLE!
WE KNOW YOU HAVE A CHOICE!

RECORDING INFORMATION

Filing Address: **First American Title Insurance Company of Oregon**
Attn: Recorder
2892 Crescent Ave
Eugene, OR 97408

Typical Recording
Fees: \$ **87.00** per first page (most documents)
\$ **5.00** per additional page
\$ **5.00** per document e-recording fee

NOTE: An Additional fee of \$20 may be imposed by the County Clerk if a document presented for recording fails to meet the requirements established by ORS Chapter 205.

cc: TBD

cc: City of Eugene Finance Department

cc: Jutta Martin

455 Airport Road Southeast Building A, Salem, OR 97301



First American Title Insurance Company

SCHEDULE OF EXCLUSIONS FROM COVERAGE

ALTA LOAN POLICY (06/17/06)

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

ALTA OWNER'S POLICY (06/17/06)

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

SCHEDULE OF STANDARD EXCEPTIONS

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

NOTE: A SPECIMEN COPY OF THE POLICY FORM (OR FORMS) WILL BE FURNISHED UPON REQUEST

TI 149 Rev. 7-22-08



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Exhibit "A"

Real property in the County of Lane, State of Oregon, described as follows:

A STRIP OF LAND OF VARIABLE WIDTH BEING THAT PART OF THE GRANTORS REAL PROPERTY DESCRIBED BY A DEED RECORDED IN BOOK 235 ON PAGE 321 OF LANE COUNTY OREGON DEED RECORDS WHICH LIES EAST OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 17 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, LANE COUNTY OREGON AND RUNNING WEST ALONG THE EAST WEST CENTERLINE OF SAID SECTION 280 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 3° 34 1/2' EAST 525 FEET MORE OR LESS TO THE SOUTHERLY LINE OF THE GRANTORS REAL PROPERTY ABOVE DESCRIBED; THENCE CONTINUING NORTH 3° 34 1/2' EAST ACROSS SAID PROPERTY APPROXIMATELY 1190 FEET TO A POINT ON THE NORTHERLY BOUNDARY THEREOF, ALL IN LANE COUNTY OREGON.

NOTE: This legal description was created prior to January 1, 2008.



Clint C. Becraft, MAI

PROFESSIONAL DESIGNATION

MAI – Appraisal Institute

2013

APPRAISAL EDUCATION

Appraisal Institute

7 Hour Equivalent USPAP Update Course	2020
Business Practices and Ethics	2019
Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications	2017
Valuation of Conservation Easements	2015
Advanced Concepts & Case Studies	2011
General Appraiser Report Writing and Case Studies	2011
Eminent Domain and Condemnation	2010
Rates and Ratios	2010
Marshall & Swift Commercial Cost Training	2010
Small Hotel/Motel Valuation	2008
Appraising Convenience Stores	2008
Real Estate Finance, Value and Investment Performance	2007
Apartment Appraisal (Course 330)	2006
Advanced Income Capitalization (Course 510)	2005
Highest and Best Use and Market Analysis (Course 520)	2005
Basic Income Capitalization (Course 310)	2003
State of the Valuation Profession	2001
Foundations of Real Estate Appraisal	1993
Appraising the Single-Family Residence	1993

College Courses

Real Estate Taxation and Exchange, Lane Community College	2002
Real Estate Investments, Lane Community College	2001
Real Estate Appraisal II, Chemeketa Community College	1994
Real Estate Law, Real Estate School of Oregon	1992
Real Estate Finance, Real Estate School of Oregon	1992
Real Estate Practice, Real Estate School of Oregon	1992

Continuing Education Courses

Eminent Domain, The Seminar Group	2019
Board of Property Tax Appeals Training, Oregon Department of Revenue	2004
Magistrate Training, Oregon Department of Revenue	2004
Non-USPAP Regulatory Compliance, Bob Keith Appraiser Seminars	2004
Model Appraisal Report, Oregon Department of Revenue	2002
Real Estate Law, American College of Real Estate	2000
Mass Appraisal Principles, Oregon Department of Revenue	2000
Introduction to Review Appraisal, McKissock Data Systems	1998

LICENSES

Certified General Appraiser – State of Oregon, 2006	Certificate No. C000856
Licensed Residential Appraiser – State of Oregon, 1996-2006	License No. L000980

FORMAL EDUCATION

Associate of Arts Degree	1998
Lane Community College	
Eugene, Oregon	

PROFESSIONAL EXPERIENCE

General Appraiser - Partner Viewpoint Appraisals	2020 – Present
General Appraiser Duncan & Brown Real Estate Analysts	2006 – 2020
Appraiser Assistant Duncan & Brown Real Estate Analysts	2005 – 2006
General/Residential Appraiser Lane County Department of Assessment & Taxation	2000 – 2005
Residential Appraiser Becraft Appraisal Service	1999 – 2000
Residential Appraiser R. H. Timpe Real Estate Appraisers	1996 – 1999
Appraiser Assistant R. H. Timpe Real Estate Appraisers	1994 – 1996

